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China Report

AGRICULTURE



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NATIONAL

MINISTER YANG ZHONG ADDRESSES FORESTRY MEETING

OW011107 Beijing, XINHUA Domestic Service in Chinese 0840 GMT 29 Apr 85

[By reporters Dai Guoqiang and Liu Kuihua]

[Text] Beijing, 29 Apr (XINHUA)--How has the situation in timber markets in collective forestry areas been since these markets were liberalized more than 4 months ago? At a recent symposium of directors of forestry departments and bureaus of 11 provinces and autonomous regions in Southern China, Minister of Forestry Yang Zhong said: Facts have proved that liberalization of timber markets in collective forestry areas is a correct and timely policy.

The CPC Central Committee's Document No 1 issued early this year stipulates that unified procurement of timber should be abolished and timber markets liberalized in collective forestry areas. It also stipulates that timber produced by forestry farmers and collective forestry centers should be allowed to be marketed freely and purchased and sold at negotiated prices. This new major policy of the party Central Committee and the State Council has received the enthusiastic support of the vast number of cadres and forestry farmers in forest and mountain areas. They hold in unison that it is a good policy which will enrich forestry resources and enable forestry workers to get better off. The situation of "while trees rot in the mountain, the people living at the foot of it remain impoverished" that existed in some forest areas has begun to change. At the symposium of directors of the forestry departments and bureaus of 11 provinces and autonomous regions of Southern China held by the Ministry of Forestry, Minister Yang Zhong, basing himself on the reports from the various provinces and autonomous regions as well as on what he had seen personally during his recent tour of forestry areas in Southern China, explicitly pointed out that the policy of liberalizing timber markets in collective forestry areas is a correct and timely one. He said that judging from what had been carried out in the various localities, the situation in general was good.

Yang Zhong said: Presently forestry, like agriculture, has entered a new era of commercialization and modernization. In order to further develop the productivity of the forest industry, we must change the long-time situation in which timber prices have been dissociated from the value of timber, which has provided inadequate compensation in forestry production and resulted in lower actual income in forestry areas as compared with other farm industries. In order to commercialize and modernize forestry, we must improve the circulation

system, restructure the unreasonable price system, change the production structure, and reform the conservative management system. Enriching forestry resources and enabling forestry workers to get better off are the basic goals of the party Central Committee's decision to liberalize timber markets. In order to enrich forestry resources, we must allow those engaged in forestry to be better off. To achieve this, we must first change the unified procurement of timber into a liberal marketing system regulated by demand.

Based on the actual situation in the past 4 months or so after the liberalization of timber markets in forestry areas, Yang Zhong pointed out that abolition of the unified procurement of timber in collective forestry areas was a correct step. He said: First, this has solved the long-time problem of timber prices being dissociated from the value of timber. This also has enabled timber products to be marketed at reasonable prices, which is beneficial to all parties concerned, and has allowed timber to be priced according to its quality, thereby letting the law of value play a functional role in guiding forestry production. Second, timber prices after liberalization of the market will enable forestry farmers to obtain reasonable profits and compensation for their investments, which in turn will arouse the enthusiasm of a great number of peasants in afforestation and in protecting forests and reafforesting low-yield farmland and speed up the development of the forestry industry as well as the readjustment of the agricultural structure. Third, this will give impetus to the reform of the management system and the improvement of the management style of state-owned forestry enterprises. The forestry industry, after diversification, will provide better services to forestry farmers and consumers and yield greater economic benefits to the state. Fourth, this will encourage thrifty use of timber and the use of substitutes for timber, which in turn will help protect forests and reduce consumption of forestry resources. Fifth, the reform of the timber pricing and circulation systems in collective forestry areas will also provide experience for and give impetus to the future reform of state-owned forestry areas.

Yang Zhong believed that, since the "three fixed quotas" work of the forestry industry has basically been completed, the production responsibility system of the industry had been carried out in general, and the promulgation of the "Forestry Law" had laid a good foundation for the long-term administration of forestry areas and for preventing illegal mass felling of trees, as well as provided the prerequisites for the liberalization of timber markets in collective forestry areas, abolition of unified procurement of timber in collective forestry areas at present was a timely measure. He said: In the last few months, party committees and people's governments of the provinces and autonomous regions concerned have done a great deal of work, paid attention to enlivening timber markets while tightening the management of forests, and given pertinent guidance to liberalizing timber markets. As a result, forestry farmers have been very keen in protecting and developing their forests. No illegal mass felling of trees has been discovered. Production and marketing of timber have basically been balanced. Timber prices have not only failed to soar, but have come down steadily. Yang Zhong said: The directors attending the meeting called for attention to overfelling and illegal felling of trees in some localities.

NATIONAL

FIRST PHASE OF NORTHERN TREE BELT COMPLETED

OW300812 Beijing XINHUA in English 0802 GMT 30 Apr 85

["First Phase of 'Great Green Wall' Completed"--XINHUA headline]

[Text] Shijiazhuang, 30 Apr (XINHUA)--China has planted trees on more than 5.93 million hectares of land in the northwest, north and northeast over the past seven years, according to a work meeting which closed here recently.

This represents the completion of the first phase of a gigantic tree belt which will eventually cover Beijing and 11 provinces and autonomous regions, said Chen Hong, director of the northern section of the operation.

The meeting decided to undertake the second phase between 1986 and 1990 in 464 counties. During this period, more than 6 million hectares will be planted with trees.

Chen said the trees planted in the first phase exceeded the total between 1949 and 1978, and helped the areas raise the green coverage rate from four in 1978 to 5.9 percent now.

The northern section covers a quarter of Chinese territory. In this area there are 1,260 hectares of deserts and soil erosion is a serious problem.

The first phase, which started in November 1978 at the behest of the State Council, has now protected more than 8 million hectares of farmland.

CSO: 4020/219

NATIONAL

FANG YI WRITES PREFACE TO BIOGRAPHY OF AGRONOMISTS

HK090648 Beijing GUANGMING RIBAO in Chinese 3 May 85 p 1

[Article by Fang Yi [2455 3015]: "Preface to 'Biographies of Modern Chinese Agronomists'"]

[Text] Encrusted by a publishing house, Professor Jin Shanbao, honorary president of the Chinese Academy of Agricultural Sciences, took charge of editing the book "Biographies of Modern Chinese Agronomists." Our revered Comrade Jin is a well-known agronomy educationist and wheat breeder, and a senior agronomist in the agricultural sciences circles. Undoubtedly it is most suitable that he has acted as the chief editor of this book. He wrote to me and asked me to write a preface for the book. Since editing this book is significant work, I find delight in complying with his wish.

China is a country with a long history. It has accumulated a wealth of agricultural knowledge and has the greatest number of ancient agricultural books and records in the world. There appeared in China many famous agronomists, such as Jia Sixie, Wang Zhen, and Xu Guangqi, who occupied very important positions in the history of human civilization. Although in modern history China's science and technology have lagged behind, some advanced intellectuals, proceeding from their patriotic feelings, have still made great efforts. For example, some agronomists listed in this book started their exploration of modern agricultural science and technology in as early as the 1920's and 1930's. They did much pioneering work in the development of China's modern agricultural sciences. We should never forget their contributions.

Since the founding of the PRC, despite the unfair treatment they were once accorded, the intellectuals in our country have also made contributions to our socialist construction, which have been born in mind by the people. Especially, since the 3d Plenary Session of the 11th CPC Central Committee, many agrotechnicians and scientists have made new achievements in developing socialist modern agriculture with distinctive Chinese characteristics. In face of the new technical revolution in the world today, more agronomists have made unremitting efforts to develop new agricultural sciences and technology, explore new fields of agricultural sciences, and open up new prospects for China's agricultural construction. We must never forget all this, and moreover we must commend them and encourage them.

China from ancient times has had a tradition of writing biographies for famous people. Writing biographies for China's modern agronomists is a method to commend their contributions. When one reads these biographies, one may gain a better understanding of the difficulties and hardships the scientists of the older generation have met and follow their tracks in struggle. This is a very effective way of education for their successors. If our readers can learn something from the good style of study of these scientists, such as taking a rigorous scientific approach toward their studies and making bold explorations, and can be inspired by their spirit of perseverance and fearing no hardships and difficulties, then our aim in editing this book will have been achieved.

In the building of the four modernizations, we need a great many scientists and inventors. General Secretary Hu Yaobang once pointed out that in the new period of socialist modernization, the intellectuals are playing a particularly important role. Since the 3d Plenary Session of the 11th CPC Central Committee, we have done a great deal of work in implementing the policies on intellectuals. A social atmosphere of respecting knowledge and intellectuals is being shaped. This is an honor for the broad masses of scientists and technicians, which will spur them onward. At present science and technology are developing rapidly with each passing day. We are required to make new pursuits, new breakthroughs, and new progress. This is an arduous job to carry out. We must advance courageously and make great efforts so as to fulfill the historic mission of the construction of the four modernizations with the people throughout the country.

In our great motherland, the construction in all fields is forging ahead rapidly. There are similar broad prospects for the development of agricultural sciences and technology. Like the rolling waves on the Chang Jiang, a new generation of gifted people is replacing the old. In view of the emergence of new agronomists, the publishing house has decided to continue publishing the second and further volumes of the "biographies." This is a good thing. I hope that it will be continuously enriched, perfected, and developed.

CSO: 4007/338

NATIONAL

INTERVIEW WITH PAN YAO ON REFORM OF COOPERATIVES

OW261141 Beijing XINHUA Domestic Service in Chinese 0817 GMT 24 Apr 85

[By reporter Ji Bin]

[Text] Beijing, 24 Apr (XINHUA)--Recently this reporter interviewed Pan Yao, acting chairman of the All-China Federation of Supply and Marketing Cooperatives, on how supply and marketing cooperatives should correctly implement the CPC Central Committee's Document No 1 of 1985. Answering the reporter's questions during the interview, he explained in detail how supply and marketing cooperatives should adapt themselves to the new situations of rapid development of the commodity economy in rural areas by deepening structural reform and expanding the scope of services.

Question: What is the focus of reform in the supply and marketing cooperatives system in the light of the central authorities' Document No 1 this year?

Answer: Structural reform has been carried out in supply and marketing cooperatives for more than 3 years, and considerable achievements have been made in labor and personnel, the purchase of shares by peasants with their own funds, the scope of management and services, distribution, and price management, with which peasants and staff members and workers have been rather satisfied. However, in the light of the new situation of rapid development of the commodity economy in rural areas, supply and marketing cooperatives still lag behind in several areas. In implementing the CPC Central Committee's Document No 1 of this year, it is necessary to further deepen the structural reform of supply and marketing cooperatives by intensifying all-round services in order to make new contributions to promoting the rationalization of the industrial setup in rural areas and accelerating the development of the commodity economy. To achieve this goal, the focus of reform of supply and marketing cooperatives for some time to come continues to be how to make supply and marketing cooperatives become cooperative businesses collectively owned by the peasants in a true sense or, as people have put it, how to change government-run supply and marketing cooperatives into cooperative businesses run by the people.

Question: How can a supply and marketing cooperative be changed into a cooperative business run by the people?

Answer: To change a supply and marketing cooperative from a government-run enterprise into a business run by the people, it is necessary to fulfill the following four requirements:

First, it is necessary to change the capital structure of a supply and marketing cooperative. Under the principle of voluntary participation and withdrawal, the ratio of peasants' shares and funds compared to the cooperative's total capital should be increased by a relatively big margin. At the same time, the cooperative's accumulated funds should be collectively owned so that it can really become an economic entity associated with the masses of peasants in terms of ownership. On a countrywide basis, the ratio of peasants' shares and funds compared to the self-raised funds of a supply and marketing cooperative is still fairly small.

Second, leadership and management of a supply and marketing cooperative must give full expression to the principle of democratic management, under which cooperative members should have a say in management and things are done according to the cooperative's charter. After several years of reform, tens of thousands of peasants have been elected as council members or supervisors of cooperatives, and some even as directors or deputy directors of grassroots-level, or even county-level, cooperatives. Attention should be paid to continuing to develop this healthy trend. Manipulation of elections in violation of the wishes of cooperative members should be resolutely stopped.

Third, it is necessary to change management by making it really serve peasants with a sense of responsibility and provide services to peasants.

Fourth, it is necessary to institute independent accounting and self-management and assume self-responsibility for profits and deficits in the operation of a supply and marketing cooperative. Nobody is allowed to interfere in the operation or management of a supply and marketing cooperative so long as it does not violate government policies and laws and pays taxes according to regulations. In the management of a cooperative, it is necessary to simplify administration and promote decentralization. After paying taxes to the state in accordance with regulations and turning over specified funds to the supply and marketing cooperative at higher level, the remainder of the profit earned by a supply and marketing cooperative should be distributed on the basis of the decision of a general meeting of cooperative members. Cooperatives at higher levels should not exercise rigid control over those at lower levels.

If a supply and marketing cooperative meets these four requirements, we can say that it has fulfilled the demand for reform set by the party Central Committee and the State Council, which calls for "completely independent accounting, self-responsibility for profits and deficits, self-management, and mass democratic management," and that it has conformed to the wishes of the broad masses of peasants.

Question: What are the points that supply and marketing cooperatives should bear in mind in the course of reform?

Answer: In recent years, quite a few localities misunderstood the change of supply and marketing cooperatives into business cooperatives run by the people as to mean "the decentralization of cooperatives to the township level." As a mass economic organization, the supply and marketing cooperative should be managed by its own members. The township government can only supervise its management as a government organ. It cannot indiscriminately transfer its personnel or financial and material resources. Nor can it interfere in its

normal operations by using administrative means. Otherwise it will have an extremely harmful effect on commodity production and circulation in rural areas. Therefore, any practice that is incompatible with the spirit of the central authorities' Document No 1 should be corrected earnestly and immediately.

Question: In light of the reform of unified or fixed state purchases of farm produce and the readjustment of the rural industrial setup, in what areas should supply and marketing cooperatives expand services in order to satisfy the peasants' growing needs?

Answer: At the present time, there are over 4 million staff members and workers in supply and marketing departments throughout the country. With a total of 26 billion yuan of capital and management networks operating in towns and villages, supply and marketing cooperatives have a great potential for stimulating the development of the rural commodity economy and the readjustment of the industrial setup. In order to satisfy the peasants' needs in the new situation, cooperatives should expand services in the following areas:

First, it is necessary to cope with the situation arising from the reform of unified or fixed state purchases of farm produce by providing better supply and marketing services. Supply and marketing cooperatives should take advantage of the numerous outlets and extensive circulation channels by actively operating and expanding markets for grain not included in state purchasing contracts or by promoting the processing of the grain. Over the past 2 years, cooperatives have handled over 10 billion jin of grain, thereby winning the peasants' praise. They should redouble their efforts in this regard in the future. As for cotton, supply and marketing cooperatives may negotiate and sign contracts with the peasants according to plans stipulated by the state. As for other major crops, in order to properly handle relations with the peasants, supply and marketing cooperatives in major producing areas may try out contracts covering a series of services for the peasants, establish joint management with the peasants, or act as their agents. At the same time, the cooperatives may sign contracts with peasants on providing information and technology for their production so that they will have a ready market for their produce. Supply and marketing cooperatives should also have a steady source of supplies and actively regulate supply and demand in order to protect the interests of both producers and consumers. They should also strive to create conditions for gradually establishing wholesale markets and trade centers in county capitals and large and medium-sized cities.

Second, it is necessary to actively set up processing and storage enterprises. At the present time, efforts should be concentrated on food, fodder, and building material industries using farm and subsidiary products as raw materials. Value added to farm and subsidiary products as a result of storage can increase the peasants' income and enliven the market in various areas and seasons. Where conditions permit, storage enterprises should be set up to store produce for the peasants. This year, all supply and marketing cooperatives are required to achieve noticeable progress in absorbing rural funds and labor and setting up processing enterprises, as well as in output value and profits. It should be emphasized that in setting up processing enterprises, cooperatives must proceed from the realities in the locality and do things within the limit of its resources; they must avoid rushing headlong into mass action and developing aimlessly.

Third, it is necessary to strive to serve village and township enterprises and to continue to expand the economic association with specialized households and villages by taking the initiative in supplying raw and semifinished materials, marketing products, and providing market information, storage, and other services. At the same time, as assistance to the poor to get rid of poverty is an important task of supply and marketing cooperatives, they must make active efforts to handle and ensure maximum results with the funds, grain, cotton, and clothes appropriated by the state to the cooperatives for restructuring the industrial setup and assisting mountainous and impoverished areas.

Fourth, it is necessary to expand the scope of social services by proceeding from reality in setting up such service trades as food catering, inn-keeping, photo studios, tourism, maintenance and repair, leasing, and public bathhouses. Supply and marketing cooperatives should support peasants in setting up businesses and various services in rural towns. They may establish joint management with peasants if conditions permit. Those cooperatives that have set up their own service trades may invite peasants to join them.

In short, under the guidance of the central authorities' Document No 1 of this year, supply and marketing cooperatives at all levels must make determined efforts to carry out reform, advance in big strides, and turn cooperatives into comprehensive service centers of the rural economy.

CSO: 4007/338

NATIONAL

GRAIN AND COTTON PROCUREMENT POLICIES DISCUSSED

Beijing JINGJI RIBAO in Chinese 3 Apr 85 p 1

[Editorial: "Major Reforms in Procurement Policies for Grain and Cotton"]

[Text] The Politburo and State Council, writing in "Ten Policies for Further Revitalization of the Rural Economy", have decided to begin reforms on centralized state purchase of grain and cotton this year and to institute purchase agreements. This is a major reform in the more than 30-year history of state purchase policies for grain and cotton, and is an important step toward conscientiously effectuating the spirit of the 3rd Plenary Session of the 12th Central Committee.

State centralized procurement policies were first instituted in the fifties, when grain and cotton production volumes were insufficient. Rational allocation of grain and cotton production played a major role in assuring that there would be enough for both military and civilian needs, stabilizing market prices, and spurring economic construction.

Since the 3rd Plenary Session of the 11th Party Central Committee, China's rural areas have engaged in over 5 years of successful economic reforms. Grain and cotton production continues to increase extensively. Urban and rural consumption of grain and cotton has markedly improved. This is a major transformation from the previous long period of shortages. The new face of the developing rural commodity economy, in which diversified businesses are initiated in accordance with market requirements, urgently requires that circulation of grain and cotton commodities be freed up and revitalized from the old situation of over-centralized and suffocating management. For this reason, it is getting to the point where reform of state centralized procurement policies for grain and cotton are inevitable.

The change from centralized state procurement to purchase agreements for grain and cotton means that the state will formulate procurement plans for grain and cotton according to needs and then enter agreements with producers in accordance with quantities and types set forth in those plans respectively. Type, quality, and quantity will all be specified for purchase within the agreement, which will have legal effect once it is signed; and other than for force majeure reasons, performance on the agreement will have to be guaranteed. For procurements outside of planning, multiple business channels and free sales and purchase will be implemented. If the market price goes too low, the state will make purchases at

a guaranteed minimum price (the former centralized state procurement price), to protect the farmer's interests from losses.

This shift from centralized state purchase to purchase agreement will help guide and give incentives to the farmer to arrange production in accordance with state plans and market requirements in a logical fashion, adjust rural production structures to local conditions, bring natural advantages fully into play, and lead to even greater economic returns. It will facilitate expansion of market adjustments under the guidance of state planning, guide the farmer into entering a circulation arrangement and revitalize grain and cotton markets. It will be of benefit to laws of pricing and to the fashioning of supply and demand relationships. It will assist the farmer in developing the food processing and feed processing industries, husbandry, feeding of livestock, expansion of grain transformation, and promotion of the gradual improvement of China's food sector. In sum, this reform will play a positive role in further revitalizing the rural economy and developing a well-planned commodity economy.

This will be the first year for grain and cotton purchase agreements. All levels of the people and government should strengthen leadership and become involved in ideological and political work, to assure the completion of state-planned orders of grain and cotton.

12303

CSO: 4007/295

NATIONAL

STATISTICS ON PEASANTS' INVESTMENT, LIVELIHOOD NOTED

HK090747 Beijing NONGMIN RIBAO in Chinese 1 May 85 p 1

[Report by Special Correspondent Tong Nong [4547 6593]: "National Sampling Survey Shows Increase in Peasants' Investment in Technology, Equipment, and Intellectual Development, and Improvement in Their Livelihood"]

[Text] According to a sampling survey by the State Statistics Bureau among more than 31,300 rural households in 28 provinces, autonomous regions, and municipalities, as production developed and income increased, there was an all-round increase in our peasants' consumption in 1984. Total expenditure per capita reached 421.70 yuan, an increase of 10.84 percent over 1983. In the total expenditure, the percentage of production consumption increased, while there was also a relatively sharp increase in livelihood consumption expenditure. Compared with 1983, there was a new change in the structure of consumption. However, as the economic development was uneven for different areas, there was some disparity between the living standards in different areas and the livelihood consumption structure of some peasants was still of the "type of having enough to eat and wear."

Production Consumption Increased Relatively Quickly and the Level of Material Technological Equipment Rose

In 1984, the readjustment in the structure of rural undertakings speeded up the pace of the development of the rural commodity economy. There was relatively great increase in our peasants' production input. The per capita production consumption expenditure rose by 14.02 percent over 1983 and the percentage of this expenditure in the total expenditure rose by 26.69 percent.

In order to heighten the family production and operation capacity and raise their economic results as soon as possible, our peasants paid increasingly greater attention to improving their material and technological equipment and gradually switching to the direction of specialization, intensive operation, and mechanization. At the end of 1984, on average each household possessed fixed assets of a production nature worth 579.95 yuan at cost value, an increase of 23.78 percent over 1983. The machinery for agriculture, forestry, animal husbandry, sideline undertakings, fishery, and transportation increased very quickly. According to the survey, the average cost value of the agricultural, forestry, animal husbandry, and fishery machinery owned by each household rose by

59.13 percent over 1983; that of industrial and sideline undertaking machinery owned by each household rose by 42.63 percent; and that of transport machinery rose by 51.88 percent. The production scale of peasant families has expanded markedly.

Another Rise in the Level of Peasants' Material and Cultural Livelihood Expenditures

In 1984, the per capita livelihood expenditure of our peasants was 273.8 yuan, an increase of 10.27 percent. The major characteristics of the living expenditure are:

The expenditure related to the consumption of food, clothing and housing continued to increase, but the rate of increase dropped last year, the per capita expenditure for food accounted for 58.4 percent of the increase in the total amount of living expenditure. As our peasants' investment of a production nature rose, they spent a relatively smaller percentage of their income in purchasing consumer goods, therefore, the rate of increase in their living expenditure dropped. Compared with 1983, the expenditure on food, clothing, housing, and articles of daily use in 1984 rose respectively by 9.7, 2.5, 16.6, and 12.5 percent.

There has been a new change in the order of the structure of livelihood consumption. As peasants' spending on their housing and articles of daily use rose relatively quickly, in their livelihood expenditure, the expenditure for food as a percentage of consumption structure changed from food, clothing, housing, articles of daily use, and fuel in 1983 to food, housing articles of daily use, clothing, and fuel.

Our peasants' spending on foodstuffs and other food and in eating out began to exceed that spent on staple food. Now, the number of people who pay attention to better food and nourishment has gradually increased and the peasants' spending on foodstuffs has risen very quickly.

Last year, of the per capita expenditure on food by out peasants, the expenditure on staple food rose by 5.96 percent; while expenditure on foodstuffs, other food, and eating out rose at a greater rate--13.59 percent.

The peasants' spending on intellectual investment and for their spiritual and cultural life rose quickly. In 1984, they spent 53.9 percent more on tuition fees, purchases of books, newspapers, magazines, and other cultural and recreational goods, and on going to films, plays, and sporting events. The expenditure for cultural service began to grow quicker than that for other consumer goods. Judging by the results of the survey in various areas some of the peasants who have taken the lead in becoming rich have organized tourist activities to widen their field of vision in addition to the activities of studying, reading, writing, and science and going to films, plays and sports performance. Once our peasants grasped reading, writing, knowledge, science, and technology, they raise an urgent demand for market and commodity information.

Improvement in the Quality of the Things Consumed by Our Peasants

As peasants' income continued to increase, the urban and rural market became increasingly prosperous and our peasants paid increasingly great attention to the quality of their material consumption. Last year, all the increase in the per capita consumption of grain was contributed by the increase in the consumption of flour and rice. The consumption of vegetables, edible oils, meat, poultry, eggs, fish, and shrimp rose by 6-14 percent over 1983. Our peasants demand better clothing. Synthetic fibers gradually replaced cotton cloth and down padded coats and Western-style coats have gradually begun to come into vogue in our rural areas. Last year, the number of valuable durable consumer goods possessed by our peasant family continued to rise. Among them, the "new three pieces" rose most sharply. The number of television sets possessed by every 100 households rose by 81.45 percent, that of audio recorders rose by 82.12 percent, and that of washing machines rose by 440 percent. The quality of their housing also improved and they began to pay attention to the design and structure of their houses. The statistics of the State Statistics Bureau showed that there was still a relatively great regional disparity in our peasants' livelihood. According to the survey data for each province, municipality, and region, the average livelihood consumption expenditure of the people in the provinces where the per capita income was under 300 yuan, was 201.60 yuan, 36.5 percent lower than that of the people in relatively developed areas and 26.4 percent lower than the national average. The peasants in these provinces are at present mainly focusing their energy on solving the problem of how to get sufficient food and clothing. Food accounted for 65 percent of their living expenditure; this was the national average in 1979.

CSO: 4007/338

NATIONAL

NONGMIN RIBAO ENCOURAGES JOINT-STOCK CORPORATIONS

HK090900 Beijing NONGMIN RIBAO in Chinese 29 Apr 85 p 1

["Special Commentary": "Encourage Joint-Stock Corporations"]

[Text] Nowadays, there is a large number of joint-stock corporations in the rural areas of our country. These joint-stock corporations are welcomed by the peasants for their fast amassing of essential production elements, various and flexible production forms, and great economic results. This form of cooperation must be encouraged. The joint-stock corporation is a corporation formed by the owners of the essential production elements who amass the same type or various types of essential production elements in the form of shares for their common material interests and on a voluntary basis. The shareholders are the owners of the enterprises. A certain proportion of the enterprises' net income is retained as indistributable common property. As for the rest of the net income, one part of it is divided according to the number of shares and the other part of it is distributed according to the work. This not only enables the enterprises to accumulate the funds for expanded reproduction and adhering to the principle of distribution according to the work, but also safeguards the interests of the workers and returns the amount of money used to buy the shares.

The emergence of the joint-stock corporation is the objective demand resulting from the development of productive forces. Early in the 1950's, the elementary agricultural producers' cooperatives in the rural areas of our country adopted the method of encouraging the peasants to buy shares with their land and other means of production. Accordingly, the peasants took part in the work of the collectives and got rewards according to the work they did, and what is more, the peasants also got dividends on land shares. This method once played an important role in attracting the peasants to join collectives, reasonably dealing with the various economic relations and recovering as well as developing production. But later on, we abruptly abolished the system of distributing the dividends on land shares and all the main means of production became public property. As a result, the collectives became single-product economies, lacking in vitality under the collective ownership. In recent years, along with the development of the reform of the economic structure in the rural areas, the rural economy has been greatly invigorated and various economic forms and operation methods have emerged. In order to socialize a rational arrangement and full use, essential production elements of various types, qualities, and

quantities have been combined beyond the limits of the various types of ownership and the joint stock companies have again emerged in a more extensive area, in more forms and at much greater speed. Apart from the new economic combines having generally adopted the form of shares, many town and township enterprises, supply and marketing cooperatives, and credit cooperatives have also implemented the method of buying and selling shares. The joint-stock company is becoming more and more important to the people in making use of the idle rural capital, labor force, resources and technology, accelerating the readjustment of rural production setups and pushing forward with the development of commodity economy. It has become a promising form of cooperation which is welcomed by the broad masses of peasants.

The biggest advantage of the joint-stock corporation lies in its various and flexible forms. Under this system, people not only buy shares with money, but can also buy shares with labor, technology, resources, and equipment. The peasants or collective units can buy shares on a voluntary basis according to their own situation, cooperatively operate the enterprises, shoulder the responsibilities together, and share the profits together. In choosing the corporation partners, households can cooperate with households; households can cooperate with township enterprises, supply and marketing cooperatives, and other forms of cooperatives, and the village and commune cooperatives as well as various other cooperatives can form corporations among themselves. The various and flexible forms have created the conditions for the further development of the joint stock corporation itself. On the other hand, the joint-stock corporation has avoided the past malpractice of combining property and indiscriminately transferring the labor force of the corporation. Now, on a family basis, the peasants can buy shares with their own capital and property and can gain profits without changing ownership. So this form of corporation can easily be accepted by the masses. In the meantime, everybody will be concerned about the production and operation of the enterprises because the interests of the commune members are closely linked with the economic results of the enterprises.

In a word, by adhering to the basic principle of a cooperative economy, the joint-stock corporation not only avoids egalitarianism and the practice of "eating from the same big pot," but is also beneficial for solving the problem of the funds for rural development, the question of the operational scope and the question of mutual benefits and democratic management in the development of the corporation and so forth. We must make full use of this form of cooperation to push forward with the reasonable flow and combination of the essential production elements and develop the rural commodity economy.

The joint stock corporation, as a form of economic cooperation, is still in the process of formation and development. Some enterprises, as cooperative organizations, are still not perfect. Some only possess certain factors of cooperative economy. But all these factors cannot hinder its development and the role it plays. We should stick to the practices which are beneficial to the combination of the essential production elements and the development of rural productive forces, and continue to develop and perfect them in practice. We should never forget that the joint stock corporation is a new form of cooperation created by the peasants, and it has great vitality. Nor should we demand perfection and pour cold water on it.

NATIONAL

RESTRICTIONS ON NONSTAPLE FOODSTUFF PRICES LIFTED

HK120708 Beijing ZHONGGUO XINWEN SHE in Chinese 1255 GMT 10 May 85

[Report: "China's 25 Provinces, Municipalities, and Autonomous Regions Lift Restrictions on Prices of Nonstaple Foodstuffs"]

[Text] Beijing, 10 May (ZHONGGUO XINWEN SHE)--In an exclusive interview with a ZHONGGUO XINWEN SHE reporter, an official of the State Administration of Commodity Prices said: To date, there are 25 provinces, municipalities, and autonomous regions in China which have lifted restrictions on the retail prices of pork, beef, mutton, eggs, poultry, fish, and other nonstaple foodstuffs in line with their own circumstances. Jiangsu, Shaanxi, Gansu and Xinjiang, which have not yet lifted restrictions on the prices of their nonstaple foodstuffs, will readjust the prices commencing 1 June.

With regard to the prices of vegetables, the majority of cities, except Shanghai and some large cities, have wholly or partially lifted restrictions on the retail prices of vegetables.

While readjusting the prices of nonstable foodstuffs, the localities concerned have provided reasonable price subsidies to each adult and child in light of different circumstances. Price subsidies have also been granted to foreign experts invited to work in China and foreign students studying in China. This is the first step taken to reform China's price system.

According to statistics, after lifting restrictions on the prices of nonstaple foodstuffs, the retail price of pork in the whole nation rose at an average of 0.4 yuan per jin and that of eggs went up 0.1 yuan per jin. So far the market is stable and the people are free from anxiety.

The official of the State Administration of Commodity Prices said that most of the provinces and municipalities readjusted the prices of their nonstaple foodstuffs in April and May. This was an opportune moment because the sales of pork entered the slack season, while those of eggs entered the peak period. Prior to the price readjustment, the state gave advance notice to reassure the public and prepared plenty of stock. As a result, the state-owned commercial shops had an ample supply of nonstaple foodstuffs.

After lifting restrictions on the prices of nonstaple foodstuffs, the state-owned commercial shops still played the role of the main channel. However, they had to face competition with the individual and collective run commercial run

commercial shops. Consequently, the state-owned commercial shops have realized the necessity of reforming their traditional management and operation system and methods as quickly as possible.

While reforming the price system, China is also strengthening its management over price control. Most of the cities and counties in China have set up price inspection offices, which have become a price inspection network combined with the efforts of specialized departments and the masses. By conducting inspection tours, receiving letters of complaint, and other methods, the inspection offices have taken economic means to severely punish those who try to force up prices under any excuse.

CSO: 4007/338

10 June 1985

NATIONAL

REFORM IMPROVES VEGETABLE MARKETING SYSTEM

OW081321 Beijing XINHUA Domestic Service in Chinese 1135 GMT 7 May 85

[Excerpts] Beijing, 7 May (XINHUA)--In reforming the system of purchasing and marketing farm produce and sideline products in our country, outstanding progress has been achieved in vegetables, a category known for its complex difficulties and sensitive nature. As of early May, of the 35 big and medium-sized cities and industrial and mining areas throughout the country, 22, including Wuhan, Guangzhou, Changsha, Jinan, Shenyang, Xian, Zhengzhou, Nanning, and Harbin, had abolished state monopoly in the purchase and marketing of vegetables, allowed prices to float, and allowed multilevel, multichannel operation. Consequently, the quantity and variety of vegetables appearing on the markets increased, their quality improved, prices stabilized at reasonable levels after some ups and downs, and producers, dealers, and consumers were all satisfied.

Vegetable-growing peasants, who in recent years had given up vegetable production in favor of other sideline production or labor to get more income, have reverted to vegetable production, producing more quantities of better vegetables. The quantity of vegetables hauled to markets daily has gradually stabilized and their variety has increased daily.

The previous monopoly in dealing in vegetables has now changed into sales through numerous channels and vast networks. Vegetable-growing peasants now either carry their vegetables to cities for sale or have established direct ties with vegetable dealers in the cities.

The vegetable market in these cities is now stabilized. Vegetable prices rise and fall and vary according to variety, quality, and [word indistinct] but tend to remain at reasonable levels, levels that are acceptable to consumers.

Since it has not been long since the vegetable purchasing and marketing system was reformed, many urgent problems remain to be solved. In particular, much has to be done about the problem of how to give play to the role of state-run vegetable companies as the main channel, enabling them to take part in market regulation. At present, the central departments concerned and all local governments are conducting work in this respect step by step.

CSO: 4007/338

NATIONAL

BEIJING LAO CITES REPORT ON FOOD PRODUCTION

BK210418 Beijing International Service in Lao 1230 GMT 8 Apr 85

["China in the Eyes of Foreigners" Program presents "Special Report of the International Barley Commission"]

[Text] The International Barley Commission recently issued a special report saying that in 1983 and 1984, the harvests of plain paddy, wheat, and barley in China were successively productive. This year, China will become an important rice exporting country. The report noted that in 1985, China will break its rice export records by exporting some 5 million metric tons of rice to foreign countries, a 2-fold increase compared to the 1984 rice export volume.

Recently, it was officially announced that the total food production in China in 1984 reached 407.1 million metric tons, surpassing the annual production of 387.3 million metric tons scored in recent years. This means that in the past 5 years, food production in China has increased by 20 percent. The International Barley Commission pointed out that China's export of surplus rice may cause significant repercussion to certain main rice-exporting countries.

CSO: 4020/219

NATIONAL

CIVIL AFFAIRS MINISTRY OFFICIAL ON DRIVE TO ENRICH FARMERS

HK110612 Beijing CHINA DAILY in English 11 May 85 p 1

[By CHINA DAILY staff reporter Guo Zhongshi]

[Text] The Chinese Government has launched a forceful drive to set the country's 70 million poverty-stricken farmers on the road to prosperity with a series of new economic and social measures.

The measures, proposed by the Civil Affairs Ministry and approved by the State Council, include tax cuts, bank loans and priority treatment in education and employment.

"The state is determined to help all the poor farmers cross the poverty line as soon as possible," an official of the Civil Affairs Ministry told CHINA DAILY in an interview yesterday.

As local average income differs in different parts of China, a standard poverty line could not be drawn for the whole nation.

But, the official said, farmers with an annual income lower than 310 yuan are generally considered to be poor. They make up nearly 9 percent of the total rural population.

Poverty of nearly 14 million rural families whose incomes are below local averages is caused mainly by them having too few labourers to work the land; by lack of funds for development; by lack of technology; and by hostile climate and terrain which leave them in a constant battle with nature.

And figures released recently by the government show that 2.7 percent of the farmers are still earning below a per capita annual income of 100 yuan a year.

Most of these farmers live in remote and mountainous areas, where transport facilities are poor and commodity production is least developed.

The government plans to reduce or remit taxes on agriculture, business and income for the poor individuals or enterprises run by them, he said.

Low-interest and long-term bank loans have already been granted to poor farmers throughout the country. And those who cannot afford to repay the interest will receive relief aid or other forms of subsidies, the official said.

In addition to 200 million yuan (about \$71 million) in relief funds and 600 million yuan (about \$210 million) in disaster funds given annually to the poor rural areas, the ministry will continue to raise money to aid areas frequently afflicted by calamitous weather, the official said.

The government will provide these areas with opportunities to develop commodity production and encourage them to participate in joint economic operations. When the state purchases products it will give priority to buying from them.

Since 1978, when the ministry began assisting the poor, it has helped about 3 million farmers stave off poverty, he said.

For instance, some 50 million yuan worth of grain and cloth have been assigned to underdeveloped rural areas in the Ningxia Hui Autonomous Region in northwest China to help pay for development of local roads and water conservation projects.

Special efforts will be devoted to providing technology, information and guidance to the poor farmers so that they can eventually become independent of the state aid.

State-owned enterprises, when recruiting young workers from the countryside, have been told to give favourable consideration to youngsters from poor families.

Tuition fees in local schools will be reduced or waived for poor farmers who have difficulty financing their children's education.

CSO: 4020/219

NATIONAL

AGRICULTURE MINISTER VIEWS NEW PRICE REFORMS

HK110701 Beijing CHINA DAILY in English 11 Apr 85 p 4

[Text] Premier Zhao Ziyang has announced that price reform will have to begin with agricultural products. If this problem is solved properly it will be the first time a socialist country has managed to do so, and will be an achievement of major significance.

This has raised the curtain for a second reform of the rural economic system following the introduction of the responsibility system. He Kang, minister of agriculture, [animal] husbandry and fishery, recently gave his thoughts on the subject to the WORLD ECONOMIC HERALD. Excerpts follow:

The State Council has decided to reform the system of monopolized and allocated purchases on farm products to loosen control over prices in the agricultural sector. There are two reasons for beginning with farm and agricultural sideline products; first, the bumper harvests of recent years have enabled farm products to be stockpiled, and this will act as an insurance against any problems which might occur in the process of reform. Second, the state monopolized purchasing and guaranteed selling is already incompatible with the present large-quantity stockpiling of grain and cotton.

More important, however, is the fact that we are treading uncharted territory in the reform of commodity prices. Policy can be reverted more quickly in agriculture than in industry if the changes turn out to be impracticable.

By world standards, our overall agricultural level is still low. In absolute terms, China leads the world in production of grain, cotton, rapeseed oil, natural silk and pork; but calculating production on a per hectare basis, cotton, grain, and rapeseed oil rank 13th, 15th and 22d respectively.

However, these figures also show that potential productivity in China is very high.

Our grain problem still looms large. Development in the various districts has been uneven. Some are still not self-sufficient in grain. Also the species of grain which are grown are generally inferior ones. And following rises in the price of agricultural machinery and equipment, crops are now more expensive to produce and farmers in certain areas are losing their enthusiasm for growing grain.

While recognizing the great achievements that have been made in agricultural production, we also realize that a series of new problems have emerged, principally the following:

1. Agricultural production still fails to supply the needs of the country. Despite increased production of grain and cotton, high protein sources such as cattle, poultry and fish-farming are not yet developing quickly enough. Food processing and service industries are also weak.

But the most outstanding problem is in distribution because of poor transport facilities. For instance, the acres of Indian corn produced in the far northern province of Jilin cannot be moved to the south where peasants are forced to use rice instead to feed their pigs.

2. Crops of all kinds are not of the best quality and insufficiently diverse.

3. Farm and husbandry products are not always rationally priced. For instance, pork is priced lower than the costs of the grain it takes to fatten the pig, and has become unprofitable compared with selling grain direct.

4. Uneven development means that there are still more than 60 million farmers in 200 counties whose problems of food and clothing are not entirely solved.

These problems testify to the need for the readjustment of agricultural production. As Premier Zhao Ziyang pointed out, this should be worked out in accordance with the law of value. Market regulation should be expanded by gradually lifting the hold on prices to allow farmers to decide what they produce in accordance with the demands of the market.

Naturally the state should also participate in market regulation. By introducing goods on to the market, prices can be stabilized, blind fluctuations prevented and consumers interest protected.

CSO: 4020/219

NATIONAL

OFFSETTING REDUCTION IN SOWN AREA DISCUSSED

HK270510 Beijing CHINA DAILY in English 27 Apr 85 p 1

[By staff reporter Chen Guanfeng]

[Text] China's farmers are expected to plant 2.5 million fewer hectares of grain this year, but state agricultural officials are hoping that higher yields will offset the potential loss of 15 million tons of grain.

"If we try to increase the average yield by a little more than 3 percent, we can surely fulfill our grain production target this year," an official of the Ministry of Agriculture, Animal Husbandry and Fishery told CHINA DAILY.

The target for 1985 is 405 million tons, 2 million tons less than last year's harvests, but 18 million tons higher than last year's state-set quota," he added.

Grain yields have increased by 5.8 percent over the past few years.

Nearly all of the nation's breadbaskets, namely Hunan, Hebei and Shandong provinces, have sharply reduced the land area devoted to grain production. Sichuan Province has cut back its grain fields the farthest, by more than 530,000 hectares.

The reduction is mainly attributable to large-scale diversion from grain to cash crops, such as tobacco and watermelons, which yield greater profits for farmers. Each of Hebei Province's residents, for instance, will have access to at least 50 kilograms of watermelons this summer.

The country's grain production will be also affected in some way by the preponderance of low-yield, high-quality grains this year and unfavourable weather conditions [word indistinct] areas, he said.

Replacement of high-yield crops such as maize and sorghum, but crops with lower average yields, such as soybeans, wheat and rice, also will affect the country's total grain output, the official predicted. The country's total land used to grow maize, for instance, has been reduced by 1.3 million hectares this year.

Low temperatures and sustained rainy weather is hindering the growth of summer crops in areas along the middle and lower reaches of the Yangtze River, the official said.

China is now re-structuring its agricultural production with the aim to further promote the prosperity of rural residents. It has already lifted the state monopoly on the purchase and sale of farm products and given farmers the right to decide which crops to plant.

"We will not interfere with the farmers' planting schedules no matter what this year, though we have advised them not to neglect grain production," the official said.

"What we hope to get from this laissez-faire policy is a more rational structuring of our agricultural production, which has overemphasized grain production in the past decade," he said.

He said the re-structuring programme is being launched now because the country has seen bumper harvests of grain and cotton over the past few years. Last year, China reaped an unprecedented grain harvest of 407 million tons, 4.1 percent more than in 1983.

Setbacks are perhaps unavoidable during the course of re-structuring, the official said, "but we are sure that the experiment will only further promote our agricultural production, just as the responsibility system has done."

He said more than 330,000 hectares of the country's tillable land is turned to non-agricultural uses every year.

"This is a potential danger to the country's agricultural production as a whole," he noted.

CSO: 4020/219

NATIONAL

FIRST PHASE OF PLAN TO COMBAT SOIL EROSION COMPLETED

HK040438 Beijing CHINA DAILY in English 3 May 85 p 1

[Article by CHINA DAILY staff reporter]

[Text] China has completed the first phase of its plan for a "great green wall" of vegetation to help combat serious soil erosion across the north of the country. Over the last seven years nearly 6 million hectares have been planted with trees.

The gigantic tree belt will eventually cover Beijing and 11 provinces and autonomous regions, said Chen Hong, director of the northern section of the operation in a work meeting held in Shijiazhuang recently.

The meeting mapped out the second phase of tree-planting, between 1986 and 1990, in 464 counties. During this period, more than 6 million hectares will be afforested.

The number of trees planted in the first phase, ordered by the State Council, exceeded the total planted between 1949 and 1978 and helped the area to raise the green covered area from 4 percent of the land to 5.9 percent.

More than 8 million hectares of farmland benefit from the first phase of afforestation. But soil erosion is still a serious problem in the northern section, which covers a quarter of Chinese territory, Chen said. There are more than 1,260 hectares of desert in the area.

Meanwhile, Beijing last year witnessed the greatest achievements in mass afforestation and efforts to beautify the city since 1949, according to a report issued by the capitals afforestation committee.

More than 2.8 million trees were planted in the city proper and afforestation of more than 34,200 hectares in the suburbs was realized. More than 260 hectares of green areas have been created along the streets and inside the compounds of government units and factories. About 40 scenic spots have been gained by the reconstruction of parks in the city.

Highways, railways and irrigation areas have been made green by planting 141,000 trees along the highways, laying lawns of 18,300 square meters, afforesting more than 300 hectares of hilly areas around reservoirs and flanking railways with 125,000 trees, the report said.

The capital's beautifying and tree-planting work last year was marked by unprecedented speed.

Mass involvement was another characteristic of the tree-planting move. More than 4 million people took part in last year's operation.

But forest fires are still a risk and care should be taken. Last year 41 forest fires including two serious ones, destroyed about 35 hectares of forest.

The report detailed this year's plan for making the capital green and flowery. It includes planting 1.2 million trees, expanding green areas in government areas, factories and enterprises by over 100 hectares and building 20 more gardens.

A total of 33 programmes, on four bridges, six main roads, nine small districts and 14 parks, are to be carried out in the city, the report said.

CSO: 4020/219

NATIONAL

RURAL, TOWNSHIP ENTERPRISE DEVELOPMENT DISCUSSED

Beijing NONGMIN RIBAO in Chinese 6 Mar 85 p 1

[Special Feature: "Forge a Large Contingent of Modern Economic Talents: Discussing Rural and Township Enterprise Development"]

[Text] The unique feature and advantage of the commodity economy is the free movement of key production elements. It provides conditions for rational combination and optimum utilization of these key elements. If a person were about to start up an enterprise but lacked the funds, one could accumulate capital or go to the bank for a loan. If materials or tools are needed, they can be bought in the marketplace. If technical expertise is required, it can be had through hiring. All in all, current policies are broadened, circulation channels are lively, and key elements needed for production are available one way or another. However, those in charge of an enterprise must be brought forth in the main from the enterprise itself. A key to success or failure of an enterprise is whether it has strong and dynamic leaders. This is what is meant when people often say, "Employ a talented person and save a business."

Where is an enterprise to get these talented individuals? Hire them from outside? That is one method. But now that vigorous development of rural and township enterprise is occurring with so many new businesses starting up at one time, there is a limit to the number of such talented individuals. Moreover, there are special conditions in new enterprises, so that the majority of new demands of such enterprises cannot be satisfied. What then is to be done? Rural and township enterprise must rely on those discovered and nurtured in actual practice, and must forge its own farmer entrepreneurs into a whole contingent of modern economic talents.

Rural and township enterprises exist and compete in a new environment which is rapidly changing. In order to adapt to and harness this new environment, they must have a great deal of vitality. Small size, simple structure, rapid decision-making and rapid action are all strong points of rural and township enterprises and essential elements in adapting to the environment. But this alone is not enough. Most important of all is that leaders have their own ideas, a sense of vision, courage, and resourcefulness. In one respect, they should be adept at absorbing market information and understanding its significance. They should be able to get control of market opportunities, know what is out there for the enterprise, what should and should not be done, and come up quickly with

a decision and a policy. Once it is made, it should be stuck to. In another respect, the leader should be skillful at managing his relations with others in the enterprise and effectively stimulate the enthusiasm and creative spirit of others. The leader should learn whatever he can from them and integrate their collective wisdom. Learning and encouragement should be a two-way street, and should be enhanced together. This is what makes a smart leader and one who can bring others in the enterprise along with him to face as one the common goal. Only in this way can the enterprise flourish. At the same time, the modern leader should foster democracy within the enterprise, encourage innovation, and create an atmosphere of freedom and excellence. Each individual should have an opportunity to study and advance. In this way, talents within the enterprise can grow, the entire cast of the enterprise will improve, and the ever-changing external environment can be adapted to and harnessed.

The leaders of rural and township enterprise should become leaders of exemplary modern enterprise and should forge a whole contingent of modern entrepreneurs, managers, and technicians through the process of actual practice. Once this contingent is at hand, this will mobilize the appearance of even more modern economic talents in the villages. Then, rural and township enterprise will be able to face newer challenges, and development of the entire rural economy will quicken.

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CS0: 4007/295

NATIONAL

PROSPECTS, ACHIEVEMENTS IN AGRICULTURAL PRODUCTION

Beijing SHULIANG JINGJI JISHU JINGJI YANJIU /QUANTITATIVE AND TECHNICAL ECONOMICS/ in Chinese No 9, 5 Sep 84 pp 3-7

/Article by Zhang Tong /1728 2717/, Ministry of Agriculture, Animal Husbandry and Fishery, and Liu Tianfu /0491 1131 4395/, Institute of Quantitative and Technical Economics, Chinese Academy of Social Sciences/

/Text/ I. Great Achievements

Since the founding of the republic, especially since the 3d Plenum of the 11th Party Central Committee, national agricultural production has achieved great accomplishments and gained an exciting rapid development.

The gross value of agricultural output /GVAO/ in 1983 reached 288.2 billion yuan (RMB, in 1980 constant yuan), more than triple the production value of the early years of the republic. In the past 5 years, agricultural production has been growing at a high and steady speed. GVAO grew at an annual rate of 3.2 percent during the 26 years from 1953 to 1979, but it has accelerated to 7.9 percent in the last 5 years. In 1983 the aggregate values of agriculture, forestry, animal husbandry, secondary production and fishery all registered new historical records. Compared with 1949, in 1983 grain production increased 240 percent, cotton 940 percent, oil crops 310 percent, sugar crops, 1,300 percent, cured tobacco, jute and ambari hemp 2,600 percent and aquatic products 1,000 percent. The production of pork, beef and mutton in 1983 was 260 percent of that of 1952. In 1983, GVAO, the aggregate grain production volume and the aggregate cotton production volume have all reached the 1985 production targets of the Sixth 5-Year Plan, 2 years ahead of schedule; the volume of oil crop production and aquatic products reached their 1985 targets 3 years ahead of schedule; and jute and tossa reached their 1985 targets in 1978, 5 years ahead of schedule. Now our grain supply permits an increase in our consumption level. In addition to human food, we can increase the feed grain supply to develop animal husbandry in order to improve the composition of our diet. Not only can cotton production meet our domestic demands, but it also has a surplus. China is changing from a cotton-importing country into an exporting country.

On the heels of rapid development, a new welcome situation emerges in the rural communal and brigade enterprises. In 1983 the gross output value of all communal and brigade enterprises rose above 80 billion yuan, a net profit of above 10 billion yuan, and became an important pillar of the rural economy.

The technology and equipment of our agriculture have seen a remarkable improvement and agricultural production conditions seem much better. Here are the comparisons of our equipment for the whole nation between 1983 and 1952: agricultural machinery power increased to 24.5 billion horsepower from 0.25 million horsepower; the number of large- and medium-size tractors increased to 841,000 from 1,307; the number of small and hand-operated tractors increased to 2.75 million from 919 (1962 figure); the number of trucks for agricultural use increased to 275,000 from 280; the output of pumping and irrigation power machinery increased to 78.492 million horsepower from 128,000 horsepower; annual chemical fertilizer consumption increased to 16.598 million tons from 7,800 tons; and rural electricity consumption increased to 43.52 billion kw from 50 million kw. The total machine-cultivated acreage increased to 35.11 billion hectares in 1982 from 136,000 hectares in 1952, and the irrigated acreage increased to 44.18 million hectares from 19.96 million hectares. There were 869,000 water reservoirs in 1982 with a total capacity of 41.88 billion cubic meters. There are 6.32 million pond watergates and dams, which have a total capacity of 26.8 billion cubic meters.

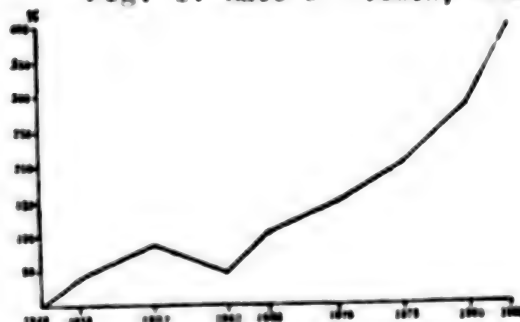
In 1983 the economic return on national agricultural production also established the highest historical level. Input/output ratio: for every mu of cultivated land the total energy input increased to 5.005 billion J [joules] from 4.715 billion J of the previous year (within which inorganic energy increased to 1.251 billion J from 1.037 J of previous year); grain production increased to 685 jin per mu from 630 jin per mu of the previous year; the energy input and grain output ratio increased to 1:1.98 from 1:1.97 of the previous year. Unit of labor production ratio: the total agricultural production value created by each unit of labor increased to 893 yuan, an increase of 212 yuan from 1978; the grain production for each unit of labor increased to 2,401 jin from 2,237 jin of the previous year; sideline production for each unit of agricultural labor increased to 312 yuan from 217 yuan of the previous year; and the net income created by each unit of labor increased to 613 yuan from 563 yuan of the previous year. The land production ratio: the cultivated land crop production value increased to 121.3 yuan from 111.6 yuan of the previous year; for grain production calculated on sown acreage, the per-mu yield increased to 453 jin from 416 jin of the previous year, and it moved up to 15th place in the world from 21st; and cotton production increased to 102 jin per mu from 82 jin of the previous year, its world rank moving up to 13th place from 19th. The body weight of animals and their slaughter rates: the slaughter rate of hogs was 68.7 percent, and the average body weight of a hog was 127 jin; the slaughter rate of cattle was 4.6 percent, and the body weight was 181 jin; and the slaughter rate of sheep was 27.1 percent, and the body weight was 22 jin. The slaughter rate of hog, cattle, and sheep and their average weights have been increasing in recent years but are still below the world average. Capital/output ratio: the total agricultural production value realized for each yuan spent in its fiscal year as capital construction investment or as production business expenses is 26.5 yuan, an increase of 3.8 yuan over the previous year. Agricultural product commodity ratio: in 1983 the total national purchase of unprocessed grain was 244 billion jin, and the consumption of commodities increased to 31.5 percent from 24.9 percent of the previous year; in the 50 commodity grain-producing base counties, commodity grain products reached 44 percent; and commodity cotton products increased to 98.9 percent from 94.9 percent of the previous year.

The income of the peasants is on the rise. In 1983 the average net annual income of a peasant was 310 yuan, an increase of 237 yuan from 1957, an increase of 176 yuan from 1978 and an increase of 40 yuan from 1982.

II. Zigzag Road

Our national agriculture is built upon and developed from the half-feudal and semicolonial dilapidated and bankrupted foundation. For the 35 years since the founding of the republic, agricultural production has made great strides; the ability to feed and clothe one-quarter of the world's population on 7 per cent of the world's arable land has convincingly illustrated the superiority of the socialist system. Nevertheless, our agricultural development has experienced various setbacks and mistakes and has traveled a zigzag road. Figure 1 can show us the great achievements as well as the zigzag experience.

Fig. 1: Rate of Growth, GVAO



The 3d Plenum of the 11th Party Central Committee broke off the shackles of the longlasting "left" mistakes, corrected the chaos and returned to the right course; it has liberated our thinking, opened up our policies, restored and expanded the independent decisionmaking powers of the broad rural-area communes and brigades and made the critical turn of our national agricultural development. In rural reform, various household-joint-contractual responsibility systems have been implemented, specialized production households and various economic joint production forms have been aggressively promoted, the purchasing prices of major agricultural products have been raised and developing multiple operations have been encouraged. The state has also taken measures to assist agriculture and in turn has enhanced the growth of the productivity of the peasants; all this has rapidly changed the appearance of agriculture. Because of the development of agricultural production, the overall national economy has also been moved forward by the momentum, and the market has become more bustling and the livelihood of the people is moving up.

III. Bright Future

The long-term strategic objectives of our national agricultural development are to build a developed agriculture, a wealthy rural area and a good living

environment and to realize a modern socialist agriculture with Chinese characteristics. To achieve such great goals, long, complex and ardent hard work is needed. Our country is a large country with a 1 billion population, of which 800 million are peasants. With respect to the large population, our arable land is small; our natural resources, even though rich, are few. Our land resources are not fully developed and used; our ecological environment is not ideally kept and protected. The conditions of different regions vary widely and their developments are not well balanced, the crops unit production are still low and the management of technologies is yet low. All in all, the potential of our agriculture is immense.

Under the fundamental guidelines of continuously increasing the economic efficiency laid down by the 12th Party Central Committee from 1981 to the end of this century, we are striving for the grandiose goal of quadrupling GVIAO. Of course, it is neither possible nor necessary to quadruple crop planting. However, following the future transition of the rural labor force from plowing fields, but not from the rural areas, to the village or town's enterprises, secondary industrial production will undergo great development. Therefore, we believe, based on our analyses, the goal of quadrupling GVAO by the end of this century is definitely achievable. At the same time, the income average of the peasants will show pronounced increases.

Based on the analyses conducted on various factors such as our national resources, productive potential, socioeconomic conditions, development of science and technology and the demand for agricultural products, the preliminary estimates of projected demands of agricultural, animal husbandry and forestry products in the year of 2000 are: grain, 1,080 billion jin on the basis of 900 jin per capita; cotton, 10 billion jin; oil crops, 40 billion jin; sugar crops, 190 billion jin based on 17 jin of sugar per capita; meat, 3.5 billion tons on the basis of 58 jin per capita; and aquatic products, 1.2 billion tons on the basis of 20 jin per capita. Moreover, on the premise that we achieve the above-mentioned projected numbers in 2000, the daily per-capita intake of calories will increase from 2,460 calories in 1980 to 2,800 calories in 2000; protein will increase from 64 grams to 85 grams, and fat will increase from 30 grams to 70 grams. The percentage of consumption of animal products will increase and the percentage of consumption of vegetable products will decrease, and the composition of the diet will improve. By the year 2000, the food consumption level and the nutrition level of our people will further increase, the nutrition level of diet will essentially satisfy the needs of the human body and the livelihood of the people will see a remarkable improvement.

For this, the development of our national agriculture ought to take the following strategic measures:

1. In consideration of the specific conditions of our nation, increase our strengthes and make up for our weaknesses.

In developing our national agriculture, we want to follow the world trends of the technological revolution and learn advanced knowledge from various countries, but we cannot "make exact copies" nor "pursue on all fronts"; we cannot even forcefully and simplistically copy the the technological results and experiences

of one region on another. Scientific research results are the harbingers of technological applications, and technology is potential productive power. Whether the potential productive power can become real productivity will depend on certain definite social, natural, technological and economic conditions. Therefore, the steady and reliable approach for our national agricultural development is "draw the bow but do not discharge it, just indicate what the motion is for," that is to say, undertake a model experiment for various research results, give an objective introduction and let the online agriculture operators at various levels and in different areas select what is most suitable to them according to their own specific situations on the basis of their strengthes and weaknesses to take the best advantages available for practical efficiency.

What are our agricultural advantages and strengthes in the world? The vice president of the Michigan State Agriculture College /nongxue yuan 6593 1331 7108/ Mr Wei-te-wei-er /transliteration from Chinese/ has mentioned what the United States should learn from China. (1) China has a large number of genes stored for cultivated species and wild species; for every eight kinds of seeds, one is in China; (2) crop variety breeding and production are efficient; (3) the use of marsh gas in the rural areas; (4) acupuncture anaesthesia administered by veterinarians; (5) aquatic products used for feed; (6) use of biological nitrogen to increase the soil's fertility; (7) fine and intensive cultivation, intercropping and interplanting increase the productivity of the land; (8) fresh water fish farming and pearl farming will produce a "blue revolution"; (9) various processing soybean products; (10) plastic film land covering; (11) irrigation technology; (12) animal breeds, for example, the Jinhua /6855 5478/ pig reproduction rate is very high; (13) biological prevention and treatment against damaging insects; (14) flower, bonsai and garden decorations and golden fish and cage birds; (15) pollen culture; (16) cultured edible fungi; (17) organic dry-cultivation technology; and (18) a nonharmful ecological cycle, such as the mulberry water field and the use of stable manure. Mr Wei-te-we /transliteration from Chinese/, a renowned agriculturist at Michigan State University, mentioned: "In the last 20 years, these two countries (China and the Soviet Union) have achieved spectacular results in the field of grain production technology. The only advantage enjoyed by the American agricultural system over the Soviets and the Chinese is our climate, which allow us to produce tremendous quantities of crops and animals. This advantage will be offset eventually."

From the above quotation, we know we should not lose sight of our own agricultural strengthes and advantages whenever we talk about the new worldwide technological revolutuion and think we are behind others by 20 years in every respect. Of course, we cannot afford self-indulgence and stay where we are, and not learn and absorb the scientific research results and useful experiences of other countries. For example, our technology in cultivating hybrid rice, seed breeding and high-production planting leads the world; our per-mu yield is 10 to 20 percent more than it of of regular rice, and it is widely promoted for actual farming. Even though this patented technology has been introduced to other countries, they are still in the experimental stage and have not been able to make a technological breakthrough. On the other hand, we ought to work hard to blaze our new path while trying to absorb the research results of foreign

countries in genetic engineering and photosynthesis efficiency. The most important priority now is to develop low-investment, fast-return and large-benefit practical technology. But in practical applications, we cannot hold this as a universal rule. For example, plastic film covering can preserve soil moisture, can increase the soil temperature and has a positive return over expenses. It shows results in 1 year and the increase in production is prominent. It has been rapidly promoted in Shanxi Province, but in certain areas of Shandong Province the experiment is a failure because of differences in climate and in the quality of the soil. Another example is Wuxi City, which in 1979 imported the seedling cultivating factory method from Japan. Its seedling supply investment on the average reached 200 yuan per mu, so it could be used for practical production. Through bold rectification, the indoor greening process was changed to outdoor greening under a plastic film covering; at the same time standing seedling electric heating was converted to chimney heating, and with further modification of the seedling platform the investment in seedlings was reduced to 28 yuan per mu. Because of these changes, the seedling-cultivating expenses became 50 percent lower than traditional outdoor seedling cultivating, and the whole country has had almost 2,000 households to which to come to order the seedlings. A third example, Launcheng County, Hebei Province, imported a complete set of farm machinery from the United States to start an experiment pilot program, which failed. Why did it fail? Why could the model of the Second Brigade of the Fifth Subfarm of the Friendship Farm not be widely applied? Why are the small-size tractors widely used without much promotion? And why can its supply not meet the demand? All of these illustrate one thing: for the application of any kind of technology there exists the consideration of objective demand, feasibility and economic efficiency. Only the oneline operators and managers understand this better than anybody else. So let them make the decisions and the things will be handled better.

2. March toward depth and broadness of development.

Our national agriculture is facing the situation of relatively scarce resources and a low per-capita income. We should open up our thoughts to broaden the range of the agricultural products processing industry and to go deeply into the biochemistry industry to explore new territory, using a reverse approach to develop the agricultural industry to lead the development of agriculture and is to enrich the people first and then lead them into modernization to open up a new scenario. For example, 1,000 tons of dried sweet potato that cost 160,000 yuan; it can sell for 1.5 million yuan if no middleman is involved. If it is made into 100 tons of monosodium glutamate, it is worth 900,000 yuan. It can also be made into 395 grams of citric acid, and it is worth 1.45 million, with a byproduct worth 100,000 yuan. It can be made into 500 tons of lactic acid worth 2 million yuan. Another example is the 200 tons of bran that cost 10,000 yuan, and when it is made into inositol, it is worth 80,000 yuan; if the nontoxic cottonseed and cottonseed oil can be turned into vegetable protein and high-quality cakes which are not only popular items at home and abroad but can also increase the value of agricultural products more than 10 times. According to the estimate of foreign scientists, if cottonseed flour can be directly digested as food, the protein consumption of the world can increase 10 percent. Furthermore, if we can adopt the technology of "fungus feed,"

that is to use the organic waste, such as chaff and bran, crop hay, rice husk and bagasse, industrial sawdust, especially the rich reserve of peat, grass charcoal /caotan 5430 3516/ and other coarse fiber as base materials, to make a medium under a certain formula to cultivate edible fungi, a large quantity of mushrooms and auricularia auricula-judae (which can be made into canned food and delicacies). According to the calculation made by Gaoqing County, Shandong Province, just by using half the quantity of cottonseed shells it has now, it can produce 2.5 million jin of fresh mushrooms worth 850,000 yuan; furthermore, it experimented with the "normal-pressure propylene germicide bag storage" method which can keep the mushrooms fresh for 2 months. In addition to this, during the growing process of the edible fungi the coarse fibers decomposed into nutritious carbohydrate, unrefined-protein and unrefined-fat materials and turned a large quantity of organic waste into high-quality feed resources for mixed feed which can replace a large quantity of grain and also produce a large quantity of animal products. Use of full-value feed, scientific farming, sanitation and disease prevention and the selection of better breeds are the four important links in developing the animal husbandry. Only using full-value feed will save 100 to 150 jin of fine feed per hog. If applied to the whole nation, the savings of fine feed will equal the total imports of grain for a whole year at the current level. According to the estimate of a Japanese expert, if the peat on the whole earth can be turned into feed, it will change the diets of one-half of the whole human race into meat or supply 10 billion people with meat for 1,000 years.

3. Make an effort to utilize the results of the new technological revolution.

In the new technological revolution, with electronic computers, new materials, new types of energy, development of oceanic resources, airplane sowing and insecticide spraying, remote sensing technology, lasers and ultrasonic waves, magnetized water, high-frequency shock, etc., we can find their usages according to local conditions. Although biotechnology (bioengineering) has the closest relationship with agriculture in the new technological revolution, its research and application are beyond our comprehension today. Biotechnology (bioengineering) has been used for a long time in our traditional production such as wine fermentation, marsh gas, fermented bean curd and dough yeast. But modern biotechnology (bioengineering) has developed under the new biology of the 1970's with an infusion of new knowledge of physics and chemistry by observing the phenomenon of the activities of life step by step to understand its fundamental essence; it is a product of the combined and comprehensive development of several sciences. Its major subjects are generic engineering, cytoengineering, enzyme engineering, fermentation engineering, etc., that is to say, beyond the control of and transplantation of hereditary substances, partial cell-combination and tissue culture, it also uses micro-organisms or enzymes to work on substance splitting and synthesizing and chemical reaction. For example, in developing zoological and botanical breeds the traditional selected spontaneous mutation method is 10,000 times faster than the natural evolution to bring out the new character; however, by using genetic engineering technology is speed is 10,000 to 100,000 times faster than the spontaneous mutation method. According to estimations by American scientists, in the next 20 years the United States would have to spend \$20 billion to increase the supply of nitrogen fertilizers to increase grain production, but if they use genetic engineering

to grow grass-family crops which have a nitrogen-fixing character to solve the nitrogen fertilizer problem, they only need \$100 million investment. Furthermore, in foreign countries, the nitrogen-fixing gene has already been transplanted into the saccaromycete colony. As another example, it is to transplant antikanamycin gene in the cell of a plant to increase its anti-kanamycin ability eight times higher than the same breed of plants. Now, in foreign countries through the mixing of cytoplasm, they have already produced the "tomato-potato"; they have produced a lychee tree, which by the tissue culture method, can bear fruit in 12 months. Yeast is a kind of fungus whose protein accumulation ability is tens of thousands faster than animals and hundreds of times faster than crops, and under certain conditions it can grow all year long. These new developments have opened up new vistas. Something specially worth mentioning is our research in isolated pollen cultivation; the select breeding of new varieties, the revolutionizing of the culture media and the new culturing technology have made an important breakthrough and are in the leading positions in the world. We first successfully bred the new pollen varieties of tobacco, paddy rice and wheat and we broadly applied them to agricultural production. We first cultivated multiple-pollen plants, then gene point culture and plantule cultivation to obtain a large number of crops and plants. Among these types of projects we have already broadly used test-tube sugarcane seedlings. As of today, many crops cannot absorb much light energy in their breeding periods, and the light energy usage rate is less than 1 percent. They have a very small amount of carbohydrates; for instance, sugarcane has only 2-3 percent. However, if research is conducted on the selection of plants and the density of carbon dioxide in the living environment of the crops through genetic technology, and can increase the rate of light-energy usage to 2 percent, then the production of the planting industry will increase about 100 percent. Of course, we must combine our own research and experiments with the introduction of foreign technology.

4. Strengthen our technological economic theoretical results and conduct research on the feasibilities.

To accelerate our national agricultural development, the state must give major assistance in capital and technology to the agricultural sector. For the moment, this type of investment and material is still relative scarce; therefore, it is more important to strengthen the technological and economic theoretical results, to conduct research on feasibilities to awaken our alertness and to avoid blind ignorance in the pursuit of high economic investment returns. What are the agricultural, technological, economic and theoretical results? They are no more than appraisals of the economic efficiency of the applications of certain agricultural technologies and analyses of practical conditions and the overall factors. The research on the feasibilities is a study based on market prediction, technical feasibility, ecological environment, comprehensive equilibrium, analysis of economic dynamic and an analysis of uncertain factors, with such overall study, to reach the decisionmaking point. With these important internal factors, our national agricultural development will reap twice the fruits with half the efforts. We are striving to use the least labor time to create the most abundant material wealth.

To sum it up, we must consistently and continuously carry out the correct rural economic policies we have today, to mobilize the enthusiasm from all sectors of the society, with the appropriate application of the results of the new technological revolution according to the particular conditions of each locale. The bright future of our national agriculture is just ahead of us and is attainable in days we can count with our fingers.

12787

CSO: 4007/111

NATIONAL

REFORM OF AGRICULTURAL STANDARDIZATION WORK URGED

Beijing NONGMIN RIBAO in Chinese 5 Feb 85 p 4

[Article: "Manage Well the Major Aspects, and Open Up Freely the Minor Aspects: Reform and Strengthen Our Agricultural Standardization Work"]

[Text] To strengthen and reform our agricultural standardization work is to adapt to the fine situation of the vigorous rise of commodity production in the countryside.

Agricultural standardization refers to the standards we have posted for the various requirements in agriculture ranging from seeds, equipment, production techniques, and management measures to products, quality inspection, packing, and storage and shipping. Formerly, China's agricultural economy was basically a self-sufficient and semi-self-sufficient economy; quantities of commodities were small, so that our agricultural standardization work hardly merited much attention. During the past few years, while, along with the development of our commodity production, our agricultural standardization work has achieved some definite results, it remains rather backward in general. Centralization has been excessive particularly in the management system of relying on administrative means, and control has been too rigid; all this hardly adapts to the new developments in agricultural commodity economy. We must reform and strengthen this work.

At the national agricultural standardization conference concluded in Nanchang, Jiangxi, on 24 January, we have, on the basis of the principle of "managing well the major aspects, and opening up freely the minor aspects," studied and formulated concrete measures for strengthening and reforming agricultural standardization work. They are as follows:

--Change our former approach which resorted only to coercion. Apart from standards such as those concerning fundamentals, methods, human health, environmental protection, seeds and important agricultural products, which remain coercive, most standards concerning the quality of our agricultural products, production techniques, and managements aspects are recommended standards that should be willingly adopted for the sake of production and exchange.

--Provide, in addition, standards at the provincial and local levels so as to enforce four levels of standards: state, specialized (ministerial), local and enterprise, allowing local standards play an even greater role. This way, our agricultural standards will better correspond with the realities of various localities.

--Actively adopt international standards and foreign advanced standards to improve our agricultural standardization and create conditions for exporting China's agricultural products.

--Reform standardization planning work and, under the guidance of a long-range plan, shift the emphasis from working on annual plans to working on mid-term and long-term plans, and adapt to the national economic plan and the readjustment of the agricultural structure.

Doing a good job in agricultural standardization work plays a very important role in promoting the production and exchange of agricultural products and the progress of agricultural science and technology, as well as in enhancing economic results.

9255

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NATIONAL

'THREE SHIFTS' IN COMMODITY PRODUCTION BASE COUNTIES PROJECTED

Beijing NONGMIN RIBAO in Chinese 5 Feb 85 p 3

[Article: "Minister of Agriculture, Animal Husbandry and Fishery He Kang Points Out: We Must Do a Good Job in the 'Three Shifts' in Commodity Production Base Counties This Year"]

[Text] Minister of Agriculture, Animal Husbandry and Fishery He Kang pointed out at the national commodity production base county work conference that came to a close on 1 February: The most strategic among our tasks in the commodity production base counties this year is to readjust anew our investment plans and transfer more funds to be used on doing a good job in the "three shifts," that is, the shifts from grasping the construction of the various tasks to the strategic grasping of the development of results, from grasping the quantity of our products to grasping their quality, and from grasping production to simultaneously grasping transformation.

State and local combined efforts to invest in the construction of commodity production base counties began in 1983. During the past 2 years, these 60 counties have newly produced a large number of agricultural capital construction projects and conveyance systems, thus forming new production capability and making it possible for the economy of these counties to develop rapidly and comprehensively. According to available statistics, the growth rate of foodgrains, cotton and other products and principal animal products of these 60 counties in 1984 has all greatly exceeded the national average. In 1984, the gross output value of agriculture in these counties amounted to 19.2 billion yuan, representing an increase of 13 percent over last year; their average per capita income amounted to 436 yuan, more than 90 yuan greater than the national average.

This year is the last year in which the state invests in these counties according to contract. The conference asked the various counties to start well and finish well by doing a good job in various capital construction tasks at these bases and turn them into vanguard counties for quadrupling agricultural output and model counties for construction of the four modernizations.

In response to this demand by Minister He Kang to do a good job in the "three shifts," the conference concluded that these base counties must strategically

grasp well the following tasks this year: 1. Transfer more funds to be used for grain conversion. The agricultural, animal husbandry and fishery departments will run the series of systems concerning animal feed, food processing, and the construction of storage, preservation, packing and shipping. 2. Speed up the construction of comprehensive agricultural commodity bases, readjust agricultural structure, and improve product quality. Base counties in the northeast should compress their areas for corn and expand their areas for soybeans, beets and rice. Base counties along the middle reaches of the Chang Jiang should control their areas for cotton and develop their areas for miscellaneous crops, peanuts and cash crops of the like. 3. It is necessary to gradually turn the science and technology promoting systems and improved varieties cultivation system into entities for economic service, and to utilize existing facilities to expand our service realm and management projects.

9255

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NATIONAL

1984 SUGAR OUTPUT SETS RECORD

Beijing NONGMIN RIBAO in Chinese 5 Feb 85 p 3

[Article: "Readjusting Sales Policy, Solving 'Difficulty in Selling Sugar Cane': Sugar Production Last Years Set Highest Level in History"]

[Text] China's 1984 sugar production again scored a rich harvest. According to estimates, gross output of general sugar products should reach 900 million dan, sugar production would reach 4 million tons, both the highest levels ever.

In order to further mobilize the peasants' enthusiasm for planting sugar cane, since 1984 certain cane producing areas have readjusted their policy on rewarding the selling of sugar cane and have adopted measures to resolve "difficulty in selling sugar cane." Sugar cane areas like Guangdong, Fujian and Guangxi have adopted a "flexible price" for purchasing sugar canes. That is, on the basis of the original basic procurement price, foodgrains for rewarding sales are converted into price differential payments made to the peasants, thus reducing the tedious procedures for turning over sugar cane for cash and assuring the timely disbursement of cane payments. Some sugar cane areas have prescribed that those cane farmers who want sales-reward foodgrains will be given them, and if they want the price differential payment they will be given that. Some municipalities and counties, in order to solve the problem of small returns for planting cane, have instituted price subsidies, making the selling price of sugar cane generally reach around 70 yuan. Fujian, in order to reverse the situation in which sugar cane production has been decreasing year after year, has put forward 12 measures for expanding production, including continuing the current sugar-foodgrain link-up policy, solving difficulties in cutting, shipping and harvesting sugar canes, and has decided to subsidize every ton of raw sugar cane sold to the state above and beyond the basic amount with 250 jin of raw foodgrains. This has resulted in mobilizing the enthusiasm of the masses and increasing the 1984 sugar cane planting acreage to 200,000 mu over 1983, thus reversing trends of the past 3 years.

9255
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NATIONAL

DOMINANCE OF CONSTRUCTION, BUILDING MATERIALS ENTERPRISES SUGGESTED

Beijing NONGMIN RIBAO in Chinese 5 Feb 85 p 3

[Commentary: "Construction and Building Materials Enterprises Are Dominant Industries in the Countryside -- 7th Commentary on the Readjustment of Production Structure in the Countryside"]

[Text] Among the vigorously rising non-agricultural industries in the countryside, construction and building materials enterprises may be regarded as enjoying the fastest rate of growth.

Construction and building materials enterprises are dominant enterprises in the countryside; cement, gravel, bricks and similar building materials are all to be found in the countryside. Apart from having a great deal of surplus labor force, the countryside also possesses many able and dextrous craftsmen with unsurpassed skills; the peasant construction teams composed of them can go south or north, to the cities or the rural areas to contract business everywhere; they are greatly welcomed by the rural and urban people. Building materials and construction enterprises are not subject to seasonal restrictions and therefore are very much suited to rural characteristics. The peasants can do their planting in the busy farming seasons and bake bricks and lime and make tiles or organize groups to contract construction projects in idle farming seasons. The labor strength required in construction and building materials enterprises is great, but the skills and cultural qualities demanded of laborers are not very high; this again suits very well the characteristics of the rural labor force today.

Construction enterprises should continue to increase for the foreseeable future. Because the development of productive forces in the past has been slow, the speed of capital construction for many years has also been slow; difficulties in solving housing for our urban residents remain numerous. Although our construction and building materials enterprises have been developing rapidly during the past few years, they still cannot satisfy production and livelihood demands. Because of the development of production, population growth, and reduced size of homes in the countryside, construction of plant housing and civilian housing and the renovation of old houses is urgently needed. Only considerable development of the construction and building materials enterprises can satisfy the requirements of our society in this regard.

Therefore, all localities must take the support of rural construction and building materials enterprises as the important content of their development of new industries. At present, the rural construction and building materials enterprises are still in the primary stage; their production techniques are primitive, their equipment rudimentary and old, and the level of their organization and management very low. We must earnestly adopt various measures to train and improve the technical quality of our construction personnel, improve their management, and elevate the quality and of their work. We must guide certain relatively stable construction associations to gradually expand their accumulated capital, import advanced technology and equipment, and invite various technical personnel in order to organize first-class peasant construction teams. We must encourage them to leave the countryside and enter the cities to contract various construction projects.

All concerned departments must provide various conveniences for developing the construction and building materials enterprises in the countryside. Peasant construction teams are in general led by "indigenous experts" and "indigenous engineers." Although they lack educational qualifications, diplomas and titles, they have abundant practical experience. The localities or concerned departments may, according to concrete situations, organize them to administer evaluations. After meeting the requirements of such evaluations, they should be allowed to take out industrial and commercial registrations and start their businesses; they should also be allowed to go outside their counties and provinces to contract business. Initiative should also be taken to provide services to them concerning construction blueprints and techniques.

9255

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NATIONAL

METHODS OF COMPARATIVE ANALYSIS, COMPREHENSIVE SCORING

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese
No 1, Jan 85 pp 46-48

[Article by He Guiting [0149 2710 1656] of the Agricultural Economics Institute
of the Chinese Academy of Agricultural Sciences: "The Comparative Analysis
Method and the Comprehensive Scoring Method"]

[Text] 1. Comparative Analysis Method

The comparative analysis method is the use of technical economics to evaluate
indexes, a method to carry out a technical economic evaluation and selection of
the best available technical plan for meeting or satisfying similar needs.

Using this method first requires two or more plans in order to make the
comparison and selection; secondly, satisfying similar needs must be a
precondition, otherwise the plans cannot be compared; thirdly, technical
economic indexes must be used as a means of evaluation in order to learn the
extent to which the technical economic effects of different plans are fixed and
what the range of differences is.

The commonly used methods of comparative analysis consist primarily of the
following types.

1. Method of Comparison by Group

This method uses indicators of quantity and quality to divide the objects of
evaluation into groups and calculate the index for each group, carrying out
technical economic evaluation. An example follows:

Table 1. The relationship between cotton output level and economic results
at 43 test sites in Henan province

Units: jin, yuan				
Index	per-mu cost	per-jin cost	per-mu income	per-mu net income
per mu output				
above 100 jin	142.36	0.97	289.27	144.03
60-100 jin	83.54	0.60	135.66	50.00
below 60 jin	39.94	9.73	71.22	29.83

Note: source of data: Gu Fujun [6253 1788 6874] et al.: "A humble opinion on how to improve economic results in agriculture," NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] 1982, No 2.

Table 1 shows that in cotton fields with a per-mu yield of more than 100 jin, although the per-mu cost is the highest, the per-jin cost is the lowest [as indicated] and the per-mu net income is the highest. In cotton fields with a yield of less than 60 jin per mu, even though the per-mu cost is the lowest, the per-jin cost is astonishingly high, and thus its net income is the lowest among the three groups of cotton fields. This illustrates that intensified farming is a fundamental method of improving the economic results.

2. Method of parallel comparison

This method can be used to compare the differences in economic results of different technical plans or the differences in economic results of different production of agricultural goods, selecting the best from among them. It can also be used to compare the difference in economic results from employing the same technical program or the same crops or farm animals in different areas, allowing one to search for the ideal distribution plan. It can further be used to compare the difference in economic results of the same technical plan or the same objects of production in different years, summarizing the ways to improve economic results. An example follows:

Table 2. Comparison of the economic results of different planting systems on level areas of Launcheng County, Hebei Province

Index Plan	land production rate (jin per mu)	labor production rate (jin per work day)	effect of use of materials (grain produced per jin of ammonium sulphate)	per-unit product cost
Both wheat and corn, flat seeded	1,428.1	46.1	7.7	0.05
Both wheat and corn interplanted	1,172.5	36.0	7.0	0.06

Note: source of information: He Guiting, Xu Xin [6079 6580] et al: "Technical Economic Studies in the Modernization of the Cultivation System on Level Areas of Luancheng County," the summary of experiments on 916 mu in 1979.

Table 2 illustrates that in that locality, promoting the flat seeding of two crops increased production.

3. Method of comprehensive comparative analysis

In the work of technical economic evaluation, there are quite a few plans available for selection, and there are also quite a few evaluation indexes. In particular, when the indexes in each program are rather inconsistent in revealing good and bad, only by using several methods to pool together all of the indexes of each program so that they form a single factor is it possible to compare and select the best. In practical work of the past few years the methods mainly used are the sequential method of comprehensive evaluation, the integral method of comprehensive evaluation, and the weighted comprehensive scoring method. A common characteristic of these methods is that they pool together corresponding evaluation indexes from each plan to form a numerical value, allowing people to tell by one look the order of merit among the plans. Here I shall first introduce the sequential method of comprehensive evaluation and the integral method of comprehensive evaluation. The weighted comprehensive scoring method will be introduced in part II of this essay.

Table 3. Evaluation of the technical economic results of different plans for drying wheat. [Explained below.]

Plan		Earth drying field		Cement drying field		Drying machine	
Item		Numerical value of index	Rank	Numerical value of index	Rank	Numerical value of index	Rank
Index	Unit						
Cost of drying operation	yuan/ton	0.666	3	0.512	2	0.377	1
Labor production rate	ton/man-day	7.55	3	12.65	2	13.60	1
No. of laborers per 100 tons of wheat	person	4.3	3	2.6	2	1.8	1
Per day investment sum of handling 100 tons	10,000 yuan	4	1	20-30	3	10	2
Investment recovery period	year	-	3	2-5	2	approx. 1	1
Comprehensive evaluation sequence	-	-	III	-	II		I

Note: source of information: He Guiting, Liu Tianfu [0491 1131 4395]: "An Evaluation of the Economic Results of Different Methods of Drying Grain," in "The Study of Practical Economic Results for the Layman" [Tongsu shiyong jingji xiaoguo xue], Popular Science Publishing House, 1983.

1. Sequential method of comprehensive scoring

This method takes all the indexes in each plan and lines them up crosswise, giving each index a rank corresponding to the size of economic result it indicates. The best economic result is ranked number one, the next is number two, and so on. When pooling the indexes, the program with the most number one's is the best program, and is designated I, the next is designated II, and so on. Therefore, the rank indicates the size of economic results, and I, II, III, IV indicate each program's position in the sequence of good to bad. For example, see Table 3 [above].

2. Integral method of comprehensive evaluation

This method is a combination of the sequential method and the scoring method. On the basis of dividing into ranks according to norms, each rank is also scored, seeking a total score for each plan which symbolizes the comprehensive evaluation of different plans. For example, number one is scored as five points, number two as four points, and number three as three points. Each index in each separate plan is added up, producing a total score. The program with the most points is the best. In this way, in order to tell which program is best and which is worst, one can know at a glance just by seeing the single numerical value of an integer. Table 4 demonstrates this:

Table 4. Evaluation of the technical economic results of different plans for drying wheat

Program		Earth drying field			Cement drying field			Drying machine		
Item		Numerical value of index	R*	S*	Numerical value of index	R*	S*	Numerical value of index	R*	S*
Index	Unit									
Cost of drying operation	yuan/ton	0.666	3	3	0.512	2	4	0.377	1	5
Labor production rate	ton/man-day	7.55	3	3	12.65	2	4	13.60	1	5
No. of laborers per 100 tons of wheat	person	4.3	3	3	2.6	2	4	1.8	1	5
Per day investment sum of handling 100 tons	10,000 yuan	4	1	5	20-30	3	3	10	2	4
Investment recovery period	year	-	3	3	2-5	2	4	approx. 1	1	5
Comprehensive evaluation sequence	-	-	III	17	-	II	19	-	I	24

*: R = rank, S = score

In addition, the method of comparative analysis also contains a method of preliminary calculation analysis. It is a method of comparative analysis, developed from comparative analysis, that can be used to make predictions. This journal has previously introduced it, so we won't be redundant here.

When using the comparative analysis method, one must similarly also observe the principle of comparability.

In the concrete application of the comparative analysis method, the following procedure can be followed.

1. Determine the index to be evaluated. Based on the special characteristics of the object of evaluation, determine the necessary technical economic indexes and the calculation methods.
2. Collect data. By means of investigative research or experimental research, collect the statistics and data necessary to evaluate the plans: the useful results, the labor expended, and other data connected with the evaluation of the merits of the plans, such as the influence on the natural environment and on the laborer's living conditions and the intensity of labor, whether or not they are in accord with the spirit of the national general and specific policies, etc.
3. Calculate the numerical values of the indexes. Organize the collected data and calculate numerical values for the indexes.
4. Evaluation to select the best plan. Compare the difference in economic results of different plans and analyse the causes of the differences in production. In the analysis one should not merely consider the technical-economic advantages and disadvantages of different plans, but should also consider their relationship with the ecology, policy, society and the many other factors. After comprehensive analysis, select the best plan.
5. Write reports on the technical economic evaluations. The reports, which should be brief and to the point, should contain constructive suggestions. Their content should include: questions which require proof and solution; how many newly added economic results can be obtained with the best plan recommended for adoption and its influence on the ecology, society, policy, and other areas; the range of its suitability and feasible conditions; etc.

II. Comprehensive Scoring Method

The comprehensive scoring method is a development of the above-mentioned integral method. It differs from the integral method in that, in addition to scoring each index, it also weighs each index according to its importance. The characteristics of this method are:

1. The scoring method can quantify qualitative indexes such as the intensity of labor, the quality of an operation, etc., so that the same index in each plan can more readily reveal the nature and extent of the difference.

2. This method solves the difficult problems of different numerical values and usefulness, as well as ease of synthesis, of indexes within the same plan.

3. The numerical values of the indexes are weighted, revealing the position and usefulness in the economic evaluation of different indexes as well as the important aspects of the desired economic results at different times, places, and conditions. This enables the evaluation conclusion to better accord with reality.

The method of weighted comprehensive scoring uses the following procedures.

1. Select the items of evaluation, namely, study and determine the evaluation indexes.

2. Set the scoring standards. The five-point method can be employed, as well as the percentage method. If the five-point method is employed, then five points is the best and one point is the worst. An example, Table 5, follows.

Table 5. Scoring standards

evaluation item	stand-ard	score	stand-ard	score	stand-ard	score	stand-ard	score	stand-ard	score
output (jin/mu)	801-900	5	701-800	4	601-700	3	501-600	2	400-500	1
cost (yuan/mu)	30-40	5	41-50	4	51-60	3	61-70	2	71-80	1

3. Determine the weight for each item. The weight is generally determined by the importance of each item.

4. Find the weighted average score of each plan. Multiply the score of each item times the weight to find the weighted score of each index in the different plans. The weighted average score is the quotient of the sum of the weighted scores of each index in every plan divided by the weight. The plan with the most points is the best plan. See Table 6 on following page.

Table 6. Different plans for sheep shearing: comprehensive scoring of the economic results and selection of the best plan

表6 绵羊不同剪毛方案经济效果的综合评分选优

(2) 指标	(1) 方案	(14) 手工剪毛			(16) 联轴式剪毛机			(17) 中频式剪毛机		
		(18) 数值	(19) 评分	(20) 加权后数	(21) 数值	(22) 评分	(23) 加权后数	(24) 数值	(25) 评分	(26) 加权后数
(3) 增加产毛量 (克/只)		0.2	—	0	200	4	0.8	200	4	0.8
(4) 提高羊毛级别		0.1	2	0.2	1	4	0.4	1	4	0.4
(5) 直接剪毛生产率 (只/工日)		0.1	15—20	0.5	50—60	5	0.5	50—60	5	0.5
(6) 投资 (元)		0.1	500	0.5	5,021	8	0.8	4,379	4	0.4
(7) 每年增加收入 (元/年)		0.05	—	0	17,360	5	0.25	17,360	5	0.25
(8) 剪毛工序直接成本 (元/万只)		0.1	1,550	0.5	2,247	8	0.8	2,044	4	0.4
(9) 年净增盈利 (元/年)		0.1	—	0	16,662	4	0.4	16,865	5	0.5
(10) 追加投资回收期 (年)		0.1	—	0	0.271	4	0.4	0.230	5	0.5
(11) 偿还投资后的净盈利额 (元/台)		0.15	—	0	11,640	4	0.6	12,488	5	0.75
(12) 综合评价		1.0	—	161.6	—	36	3.05	—	41	4.5
(13) 决策优劣				Ⅲ			Ⅱ			I

(27) 注: 引自牛若峰、刘天福主编《农业技术经济手册》第26页,《农业出版社》1983年出版。

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Key:

- | | |
|--|---|
| 1. Plan | 13. Determining order of merit |
| 2. Index | 14. Weight |
| 3. Increased wool production (gram/sheep) | 15. Hand Shearing |
| 4. Improvement in grade of wool | 16. Flexible-shaft shearing device |
| 5. Direct shearing production rate (sheep/man-day) | 17. Intermediate frequency shearing device |
| 6. Investment (yuan) | 18. Numerical value |
| 7. Annual increase in income (yuan/year) | 19. Score |
| 8. Direct cost of shearing process (yuan/10,000 sheep) | 20. Score after being weighted |
| 9. Annual net increase in profit | 21. Numerical value |
| 10. Recovery period of additional investment (year) | 22. Score |
| 11. Net amount of profit after repaying investment debt (yuan/machine) | 23. Score after being weighted |
| 12. Overall evaluation | 24. Numerical value |
| | 25. Score |
| | 26. Score after being weighted |
| | 27. Note: from Niu Ruofeng [3662 5387 1496], Liu Tianfu, chief editors, "Handbook of Agricultural Technical Economics" ["Nongye Jishu Jingji Shouce"] Agriculture Publishing House, 1983, p 26. |

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NATIONAL

USE, EVALUATION OF AGRICULTURE PRODUCTION RESOURCES

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese
No 1, Jan 85 pp 42-45

[Article by Shen Dazun [3088 6671 1415] of the Department of Agricultural Economics, Central China Agricultural College: "A Brief Discussion of the Use of Agricultural Production Resources and the Problem of Their Evaluation"]

[Text] 1. The Rational Use of Agricultural Production Resources Is the Key to Increasing the Economic Results of Agricultural Production

The general name for all inputs into agricultural production is agricultural production resources, usually composed of three categories: land, labor, and production funds. Because modern agriculture requires thorough, detailed scientific administration, "administration" has also become a category of agricultural production resources. This refers to the input of administration labor during the agricultural production, as well as the related information resources and the pre- and post-agricultural production management and administrative activities.

Increasing economic results is a premise for the quadrupling of the total value of industrial and agricultural production by the end of this century. The main path to increasing economic benefits in production activities is to cut down on the input of live and materialized labor, in order to get a rather larger quantity of material products needed by society. With no inputs, there are no outputs, and therefore the key factor in increasing agricultural output is to use fully and rationally all available agricultural production resources. For a long time now, there has commonly been within agricultural production a contradiction between the use of resources and the local natural production conditions, which is not in accord with the principle of suiting measures to local conditions; this has affected the development of agricultural production. For example, Yunyang Prefecture of Hubei Province is a hilly region; the ratio of forest to pasture to farmland is 4.5:4.3:1. The order of priority for optimal development of production would be forestry, animal husbandry, and agriculture. But for many years the main products have been grain, cotton, and vegetable oil. In 1983 the ratio of the production value of forestry, animal husbandry, and crops was 0.18:0.25:1. One million five hundred twenty thousand mu of farmland, comprising 41 percent of all farmland, are at a slope greater than 25°; of this, 650,000 mu, 17.6 percent of the total area of farmland, are

at a slope greater than 45°; in other words, on almost half of the farmland, farming must stop so that it can become forest again. Another example: the Changjiang-Hanshui Plain in Hubei has 6.49 million mu of cultivated land and 3.44 million mu of water; the water area is 53 percent of the farmland area, and the water area suitable for aquatic breeding is about 22 percent of the farmland area. But for many years the value of fish production has been less than 2 percent of the agricultural production. Some of the above materials show that just as long as the appropriate adjustments are made in these places, an increase in the amount of investment really isn't necessary, and economic results of agricultural production can show significant growth.

The rational use of agricultural production resources also benefits the establishment of a rational agricultural ecology system. Crop production is the material foundation for animal husbandry, fisheries, and the processing of agricultural sideline products. Compared to crop production, animal husbandry is a consumer, but it can take crop products, especially those which cannot be used directly by humans, and reconvert them into an animal product with an even greater practical value. Seen as part of the energy cycle, animal husbandry is a production sector for the conversion of plant energy into animal energy. Therefore, the true nature of the agricultural ecology system is the cycle of matter and the conversion of energy between living things and the natural environment. In order to develop agricultural production, on the one hand it is necessary to use science and technology to increase the ability of animals and plants to adjust to the natural environment as well as to raise the efficiency of the cycle of matter and the conversion of energy. On the other hand we are required to use production resources rationally and improve the natural environment, so that living things within the environment can form an agricultural ecological system that benefits the continuing development of agricultural production. But in some areas, due to excessive deforestation, destruction of grasslands in order to plant crops, reclaiming land from lakes, and indiscriminate use of farmland, the agricultural ecological balance has been damaged. Therefore, the basis of the development of agricultural production is to develop a relatively stable agricultural ecological system with a high rate of energy conversion; this can be done by adjusting the relationships between living things and the natural environment, with the rational use of agricultural production resources as the central guideline.

II. The General Situation of the Use of Agricultural Production Resources in China

The study and analysis of the use of agricultural production resources can usually be approached from both the macro- and micro- points of view. Regardless of which approach is taken, one should always understand the current situation. I will now discuss the following problems from my own point of view.

1. Using China's Agricultural Land

China's land covers a vast area, but there is little farmland; mountains, water, and grasslands occupy a large proportion. Therefore, there is not much farmland per capita, and following the increase in the agricultural labor

force, the amount of land per agricultural laborer has correspondingly decreased. In 1952 there were 180 million agricultural laborers in China; in 1982 the number increased to 330 million. The amount of land per agricultural laborer has decreased from 9 mu in 1952 to 4.8 mu. At the same time, because farmland was not valued, every year for the past 20 years the area of farmland has decreased an average of 22 million mu. Of current problems, we must first stop the further development of this tendency to indiscriminately take over farmland; next we should rationally and fully make use of non-cultivable land; then we must strengthen the administration of land transferred to and used by production contract households; finally, we must increase our research into the administrative scale of production contract households. With this as a basis, we should carry out a rational distribution of agricultural products; proceeding from the requirement to increase the macro-economic results, we should study the production advantages of each crop in different areas, determine the direction of specialization for agricultural production in each area, and gradually raise the level of specialization in agricultural production.

2. Use of China's Agricultural Labor Force

China's agricultural labor force was 25.7 percent, 33.7 percent, and 30.7 percent of the entire population in 1960, 1970, and 1978 respectively; the agricultural labor force was 32.4 percent, 39.5 percent and 36.3 percent of the agricultural population in 1960, 1970, and 1978. Implementation of the agricultural production responsibility system has greatly increased the peasants' production initiative and reduced the number of needed agricultural workers. According to estimates, from now on China's agricultural production will be able to absorb approximately 30 percent of the total rural labor force, various other enterprises can take on about 20 percent of the labor force, and about 10 percent of the labor force will enter factories, mines, and cities. Forty percent of the labor force will have to switch to rural industry and other departments; according to the current calculations of the total size of the labor force, they number more than 120 million. If this bountiful supply of excess agricultural labor can be fully used, it will do much to further the development of many agricultural enterprises and small towns.

Agricultural labor most definitely can only be effective at certain times, and it also has the special characteristic of production labor and administrative labor both being equally important. Therefore, agricultural laborers not only need to have a certain mastery of science and technology, but also must have a certain mastery of management and administration. The rational use of the agricultural labor force is an important measure in raising the economic results of agricultural production. The experience of modern economically developed countries is that without first-rate peasants there cannot be first-rate agriculture; if peasants lack education and do not understand science and technology, it is difficult to fully tap the labor force's potential.

3. Use of Agricultural Production Funds

Funds used in agricultural production are divided into two main categories, fixed funds and circulating funds. The main characteristic of circulating funds is that they are normally expended just once: seeds, fertilizer, agricultural chemicals, insecticides, and other production materials are all used just once. But some of these production materials, such as fertilizer, have a continuing effect; namely, only a portion of the fertilizing effect is released to that year's crop, the rest of it remaining in the soil in the form of a fixed fund, its fertilizing effect extending for a certain period of time. Fixed funds, such as large-scale agricultural machinery, are only used at certain production seasons and for certain agricultural tasks; most of the time they lie around unused. Through depreciation the natural wear and tear is circulated into the cost. In agricultural production a certain amount of fixed funds must be possessed. Possession is for the purpose of consumption, but possession and consumption are two different concepts. In addition to the enterprise itself, there is also state investment as a source of agricultural production funds. If the state investment in agriculture for the First 5-Year Plan is put at 100, for 1979 to 1981 it was 856, a more than eightfold increase in the 30-plus years since the country was established. But with regard to the grain production and to the agricultural output value provided by each 100 yuan investment: If the First 5-Year Plan is taken to be 100, then in 1979 and 1981 it was respectively 21 and 45. This illustrates that even though the investment funds increased to a great degree, the economic results from the use of funds decreased. Investment in agricultural capital construction is a very important item within agricultural investment; from 1952 to 1978 it was 71,489,000,000 yuan, 11.9 percent of the total national investment in capital construction. In the First 5-Year Plan, it was 4,299,000,000 yuan, 7.8 percent of the total; in the Second 5-Year Plan it was 14,640,000,000 yuan, 12.3 percent of the total; in the Third 5-Year Plan it was 10,559,000,000 yuan, 11.8 percent of the total; in the Fourth 5-Year Plan it was 18,991,000,000 yuan, 11.3 percent of the total; in the 3 years from 1976 to 1978, it was 14,559,000,000 yuan, 12.1 percent of the total. Although the investment in agricultural capital construction tended to increase, for the past 30 years the rate of fixed assets formation for China's investment in agricultural capital construction has averaged only 65 percent, compared with 80-85 percent in most developed countries. Thus, there is still a great potential that we can exploit in this area.

III. Evaluating the Use of Agricultural Production Resources

Evaluating the use of agricultural production resources is an important question in the economics of agricultural technology and agricultural production. Now I will discuss my own view of the following several topics.

1. Statistical Investigation of Agricultural Production Resources

The economic administration of modern agriculture requires accurate data on agricultural production resources and a grasp of the material regarding tendencies in the supply of agricultural production resources. In the past there was a lack of precise statistical information, and therefore those

engaged in formulating agricultural production plans and carrying out strategic policy for the development of agriculture found it to be very difficult. At present we should establish a sound system of statistical investigation related to agricultural production resources, accumulating fundamental data on agricultural production resources: these are fundamental tasks in the modernization of agriculture.

2. Analysis of the Utilization Results of All Factors in Agricultural Production Resources

The central problem in the economic analysis of agricultural production resources is the relationship between resources and products, and the substitution relationship among resources in the production process. The relationship between agricultural production resources and products shows itself to be a certain mathematical function relationship, known as the agricultural production function: namely, the output of products is limited by the type and amount of production resources used, and how the resources are coordinated and used. The agricultural production function places its analytical emphasis on the economic analysis of the variable uses of production resources. In this way, by means of analysis using the production function, agricultural managers can relatively accurately understand the laws regulating the use of resources, and in their management and administrative work they can take the initiative in adjusting and improving the use of production resources, seeking greater economic results.

The standard reflecting the use of resource factors and the economic efficiency is the resource rate of return. That is, the amount of material goods produced by the input of a unit of production resources is the average rate of return on resources. Many factors affect the rate of return on agricultural production resources; besides all the natural and socio-economic factors (such as the amount and quantity of production resources), the most important are the demands put on the input of resources by the physiological characteristics of the growth and development of the plants themselves. Agricultural production differs from industrial production. The amount of agricultural production output does not usually show a fixed growth proportional to the increase in resource inputs, so in addition to the average rate of return on resources, one should also analyze the rate of return on marginal resources. When conditions permit a detailed analysis of the resources, this shows the change in output brought about by the increased use of one unit of the resource. The changes in the marginal resource rate of return are usually: in the earliest stages of production, growth increases progressively until inputs reach a certain limit, whereupon growth is at a declining rate. Analysis of the use of agricultural production resources is the analysis of the rules underlying the changes in development of the rate of return for this kind of resource. Using the price of the resources and the product, and taking the relationship between the marginal cost (input of marginal resources \times price of the resources), derived from the relationship between the input of marginal resources and the output of marginal products, and the marginal income (marginal product output \times product price), we can thus determine both the input of resources which will provide the greatest economic results and the amount of products and income. A production unit or a district, restricted by certain technical and price

levels, will always face certain limits in the use of production resources because, regardless of whether it is the use of fertilizer, feed or other production materials, the amount of inputs and the method of use must fit in with the objective requirements of the growth and development of animals and plants. To exceed these not merely brings no benefits, it can actually bring harm.

In our analysis of the use of agricultural production resources, we should note that the agricultural production function itself can only indicate the material transformation relationship between the resource input and the product output; limited by the natural and technical conditions, what it indicates are the technical effects of agricultural production. The production function of an area only indicates the general or average production level of this area. If the area changes or the technical conditions of production change, the production function and the resource rate of return will change along with them. Use the price of resources and products to convert the input-output relationship indicated by the production function into a cost-income relationship; only in this way can we employ the economic analysis of resource use to determine the production level with the optimal input of resources and the greatest economic results. Increasing and diminishing returns on resources is an objective natural phenomenon. The so-called diminishing return on resources refers to the phenomenon appearing after resource use has reached a certain limit. A law determines the appearance of this phenomenon, though of course the existence of this law has its prerequisite conditions, namely, it presupposes that the technical conditions and the input of other resources are relatively stable. This is called the "law of diminishing resource return." "Resource" here is used broadly, including the input of seeds, fertilizer, agricultural chemicals, feed, and all other material production resources. Diminishing here does not refer to a reduction in the total amount of resource return, but rather a diminishing in the rate of return for marginal resources. The difference in return is seen from the land--resources are applied to the land, on which the crops depend for their growth and development--or the farm animals, from the land output or farm animal output. If we wish to more accurately summarize this phenomenon, it would perhaps be a bit more precise to say the "law of the proportion of change" or the "law of change of productive power." This biological and economic characteristic of the use of agricultural production resources also illustrates the importance of technical progress for agricultural development and improving the economic results of agricultural production. Under the conditions of certain manpower and material resources, only by raising the level of agricultural production technology is it possible to change the production function relationship, allowing the per-unit input of resources to attain an even greater output, or to only have to use a smaller amount of production materials to produce an equal amount of products. Correctly and completely recognizing this phenomenon of diminishing return on resources will assist us in the rational economic use of agricultural production resources and in the improvement of the economic results of agricultural production.

3. Comprehensive Analysis of the Use of Agricultural Production Resources

This refers to the complete and comprehensive analysis of an agricultural production activity, an agricultural enterprise, or the use of an area's agricultural production resources. Because the objects of analysis and the scope they contain differ, we can distinguish between the two large categories of micro-analysis and macro-analysis. The comprehensive results of the use of agricultural production resources are determined by the size of the economic effects of every single factor of agricultural production resources and the combined effects produced by the interplay of the related production factors. The experimental research on evaluating the economic results of agricultural technology can, by means of thorough experimental design, go on to research the combined economic results within these factors. Analysing the macro-economic results of the use of agricultural production resources in an area or even a nation requires the possession of large amounts of investigative statistics and information, but this is an even more complicated task. The goal of comprehensive macro-analysis is to achieve an overall balance in the use of agricultural production resources, and then to study all the feasible programs for making fully and economically rational use of all agricultural production resources. Using the method of preliminary circulation, estimate for each program the size of economic results and its advantages and disadvantages, selecting the best plan for the use of resources. The information gathered can also be used to study a model for the development of agricultural production in a nation or an area and the effective path for the rational use of agricultural production resources and the development of agricultural production.

The evaluation and analysis of agricultural production resources is a very important task filled with substance. It is also a new task which awaits the accumulation of experience from the practice of agricultural production and the improvement of the level of research and analysis.

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AGRICULTURAL COST ACCOUNTING REVIEWED

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/Article by the Ministry of Agriculture, Animal Husbandry and Fishery, General Office for Financial Affairs, Cost Accounting Office: "Agricultural Product Cost Accounting Work Proceeding in Depth; Results Are Encouraging"/

/Text/ In 1983, there were new advances in cost accounting work for the nation's agricultural products under the guidance and help of agricultural departments at various levels, suting the changes in the rural economic system and making continual progress along the path of reform. In this connection, cost accounting points for rural products are just now being set up. Some areas have already begun to create networks for providing cost information. According to statistics for the first half of this year, there were 28 provinces and municipalities, over 3,100 production brigades and over 27,000 peasant households which are doing accounting for agricultural product costs. The crops subject to accounting have already been expanded from the nine crops of wheat, paddy rice, corn, cotton, soybeans, peanuts, rapeseed, sugarcane and sugar beets to include over 39 crops, such as tobacco, hemp, tea, fruit, vegetables, and medicinal materials. Accounting has already expanded from agriculture to animal husbandry, aquatic production, forestry and fruit, industry and sideline occupations, transportation, construction and other service occupations. Through accounting, the economic results of cost accounting points in various places have become better and better.

In the past year, the management and administrative departments in various places and numerous production point cadres have done a great deal of work in adapting to the reform of the rural economic system, improving agricultural cost accounting methods, strengthening the basic work of cost accounting, raising the quality of accounting work, organizing the exchange of experiences and training accounting personnel. They have achieved heartening progress, particularly in leading cost accounting work for agricultural products in a thoroughgoing direction, and this has been welcomed by the leadership and by the peasants.

I. It Provides Information for Reforming the Rural Economic System and for Perfecting the Responsibility System Tying Pay to Production

Anhui's Xiaoxian County analyzed the data from the cost accounting of 51 households and found that it is not worthwhile for each and every household to raise farm animals. This county's statistics show that 55 households raise a total of 37 draft animals, and that each animal is responsible for an average of only 14 mu, that it works only 30 days a year, yet the feed, forage grass and medical expenses come to nearly 300 yuan. To each animal workday must be added about 12 yuan for the wage of the operator. At Dailou accounting point, the per mu expenses for goods and materials are 27.26 yuan, of which the costs for animal power is about 55 percent. In order to raise the utilization rate of farm animals and further raise economic results, our Anhui comrades proposed that the agricultural area should go the route of developing specialized farm animal households and teams and proposed that peasants raise more female animals, breed young animals, carry out the joint utilization of animals for both work and meat, and for both work and milk. The cost accounting points of Qinghai's Xunhua County adopted the measures of adjusting the proportion of farm animals, reducing the number of farm oxen, and increasing the proportions of dairy cattle and of donkeys and mules, and so arrived at the point where animals are used for agricultural production in the agricultural busy season and are put out for sideline occupations during the slack season, thus increasing the farm animal utilization rate and decreasing rearing costs, with the per mu animal power costs declining 27.2 percent over the last few years.

Through an analysis of farm cost data for specialized households and contracting households, Guangdong's Zhongshan County learned that the costs for yield per mu were 22.1 percent lower and the expenses per mu for materials and goods were 35.4 percent lower for specialized households than for contracting households, the commodity rate was 50 percent higher and the income for every 100 jin of paddy rice increased 25.6 percent. In 1980, the Liudan Commune of Shanghai's Chuansha County surveyed 58 farming experts. The land of these households was two to three times larger than that of ordinary households, their grain yields per mu are 1,471 jin, which is 6.9 percent higher than for ordinary households and their ginned cotton yields per mu are 142.9 jin, which is 7.4 percent higher than for ordinary households. Each household provides an average of 5,564 jin of commodity grain, which is 3.5-fold greater than ordinary households. Consequently, our comrades in Guangdong and Shanghai feel that along with the development of rural commodity production, land should gradually be concentrated in the hands of farming experts, we should actively develop social services, develop the rental of rural means of production and paid technical service occupations, etc., in order to aid in further heightening economic results.

Through cost accounting analysis and in line with the principle of uniting those things suited to uniting and dividing those suited to dividing, some areas like Henan, Jiangsu, Zhejiang and Shanghai that have begun cost accounting have organized service brigades, groups and households specializing in animal- or machine-powered tilling, drainage, plant protection, and seeds with the village and households as units, to provide contracting households with either single-item service or comprehensive services, and so give full play to the economic results of specialized, socialized production. After Xinjing Commune of Shanghai's

Songjiang County set up a comprehensive service brigade in 1983 to service peasant households with the village as the unit, economic results were clearly high. Agricultural machinery fittings were reduced 18.7 percent over the previous year, expenses for oil-bearing crops were reduced 11.8 percent, expenses for agricultural chemicals were reduced 5.1 percent and expenditures of contracting households for machine-powered tilling, drainage and plant protection were reduced 0.81 yuan per mu over the previous year.

II. It Provides Various Optional Plans for Rational Management of Agricultural Production Departments and Enterprises

A. Under the guidance of state planning, and in accordance with economic laws, they gradually readjusted crop distribution while suiting measures to local conditions, and determined the main direction of attack for our own planting. Some reduced coarse food grains and increased wheat and rice; some reduced wheat and rice and increased coarse food grains; some reduced grain crops and increased cash crops; and within the same crop, some reduced ordinary varieties and increased new or unusual varieties. The accounting done by the agricultural cost origination point for Jiangsu's Sihong County shows that growing hybrid glutenous rice increases the yield per mu by 72 jin over ordinary hybrid rice, and increased income per mu by 58.97 yuan, and this fact attracted the attention of Huaiyin Prefecture. This prefecture needs about 320 million jin of glutenous rice each year, which can require 400,000 mu. This readjustment alone can result in an additional 18.432 million yuan in profit over growing long-grain nonglutenous rice. In the past, Shandong's Zhaoyuan County had been reducing the area of sweet potatoes grown each year, reducing the area down to just over 600,000 mu, but after they began cost accounting, they realized that the cost-profit ratio per mu for sweet potatoes was as high as 137 percent, much greater than for either corn or wheat. Thereupon, they expanded the area grown in sweet potatoes in successive years, reaching 90,000 mu in 1982, and 100,000 mu in 1983. The 11th Huachiang Production Brigade of Xiaotun Commune in Gansu's Linze County, test grew 30 mu of sugar beets on salinized soil in 1981, and also carried out cost accounting. The result was that the income per mu was 96.13 yuan and 80.46 over winter wheat and corn, respectively, and profits per mu were increased 13.08 yuan and 48.96 yuan, respectively. After that, this brigade reduced the area grown in grain, increased the yield per unit area and expanded the area in sugar beets to 130 mu. The result was that the total grain yield in 1983 surpassed that of 1981, and each peasant increased his income an average of 200 yuan from growing sugar beets. Their county government was inspired by this and four villages along the Hei He reduced winter wheat 4,247 mu and expanded the area grown in sugar beets to 14,000 mu, and by this readjustment in cultivation alone, in 1983 grain yield was increased 930,000 jin, income increased 1.3 million yuan and the income for each person in the country increased 12 yuan.

B. Rationally select a crop arrangement plan for high economic results. The way of arranging different crops on the same land results in different product yields and different economic results. In the past 2 years, the cost accounting points in various places have given a lot of attention to the analysis of cost data, and have provided various optional plans to their local agricultural departments and production enterprises (peasant households), and this has been welcomed. The analysis by the cost accounting point of Jiangsu's Guannan County of the situation for income, cost and profit per mu for land cultivated in three different grain crop arrangements is given below:

<u>Item/Crop Farming Method</u>	<u>Multiple Cropping Rice & Wheat</u>	<u>Multiple Cropping Rice & Soybeans</u>	<u>Multiple Cropping Wheat & /Sweet/ Potato</u>
Yield per mu (jin)	1,419.8	853.5	1,379.0
Income per mu (yuan)	224.13	208.91	197.8
Costs per mu (yuan)	109.99	80.84	110.62
Profit per mu (yuan)	113.97	126.39	85.50
Profit margin (yuan)	103.6	153.6	77.3

The table above shows that the per mu yield is highest with the joint rice and wheat style, and the economic results are also quite good. Consequently, Guannan County felt that it would be beneficial to expand the area in rice and wheat and appropriately reduce the area in sweet potatoes while at the same time expanding the area of multiple cropping of wheat and soybeans.

C. Determine the multiple-crop index with the highest economic results and increase the income per mu of cultivated land in line with the principle of high yields and high results through using land and letting land lie fallow. Raising the multiple crop index by suiting measures to local conditions is an important route for raising the land's utilization rate, fully using labor and increasing the income from the work unit's land. Three agricultural cost accounting points for the Cha He Commune in Jiangsu's Hongze County had a multiple-crop index of 165.9 percent in 1981 and an income of 144.62 yuan per mu of cultivated land. In 1982, they raised their multiple-crop index to 170.5 percent and increased their per mu income to 179.25 yuan, a 23.9 percent increase. And in 1983, they raised their multiple-crop index to 179.3 percent and their per mu income to 195.28 yuan, an increase of 35 percent over 1981 and 8.9 percent over 1982. But to raise the multiple-crop index, it is necessary to uphold the principle of suiting measures to local conditions and to uphold the principle of using the land and nurturing the land combined with high yields and high economic results. Otherwise, raising the multiple-crop index will by no means achieve high results. The accounting results of the accounting point for Liugang Village of Sihong County's Dalou Commune showed that the income per mu from multiple cropping of rapeseed and peanuts was 138.3 yuan, the cost per mu was 100.11 yuan and the profit per mu was 38.19 yuan, but merely by planting one season of spring peanuts, they can earn 212.92 per mu, with a cost of only 71.65 yuan and the profit per mu can reach 162.96 yuan, or threefold that from multiple cropping.

D. Implement management decisions with regard to other major local production projects. Some cost accounting points in Hubei, Jiangxi, Heilongjiang and other provinces have made decisions on major local production projects by carrying out comparisons, seeing whether selling agricultural raw materials or selling processed goods was more worthwhile, whether placing the emphasis of their investments in high-yield areas or in middle- and low-yield areas had the greatest benefits and whether raising seeds in an outer area or locally was more worthwhile. To solve the problems of whether it was more worthwhile to raise seeds elsewhere or there locally, Jianxi's Hukou County carried out cost accounting for hybrid rice production both on Hainan Island and in Linxian

County and Ruichang County during the summer and in their own county in the fall in both 1982 and 1983, and as a result, they found that the yield per mu for local fall seed production was 32.6 jin higher than for Hainan Island's summer seed production, the income was 67.22 yuan higher, the costs were 120.05 lower and the profit increased 191.26 yuan. The county decided that starting this year, they would produce seed locally.

III. Gradually Raise the Management Level of Administrative and Management Departments and Enterprises by Applying the Data Provided by Cost Accounting

Some cost accounting points in Henan, Hubei, Guangxi and Sichuan studied and analyzed the labor for various agricultural crops and the consumption norms for material expenses based on the cost data accumulated over several years, and used these as criteria to draw up production and cost plans, did well with a whole series of tasks like cost estimates, cost control and cost analysis, gradually implemented investment standardization and systematization of cost management and so raised economic results. Three cost accounting points in Guangxi's Beiliu County were originally all poor production brigades and in 1982 after implementing large-scale contracts, the per capita income was 147 yuan, and in 1983 when they drew up production and cost plans, they referred to the cost accounting data of past years, and in addition to guaranteeing the labor and funding needs for field production, they organized surplus labor and set up four plants for dried beans, milk, cream in tight rolls and brick kilns, and they also developed hog rearing, vegetable growing, etc., and the result was that the per capita income grew to 288 yuan, in addition to which the income from family sideline occupations was 498 yuan. The cost accounting point of Henan's Nanyang County developed the "four comparison" movement in its accounting households of comparing yield, income, costs and results, using the problems discovered at the time of analysis at the end of the previous year to serve as the focal point of production cost control for the following year. At the beginning of the year, Zhang Kexin of an accounting household, ordered 4.5 yuan worth of agricultural chemicals per mu of cotton, but because he paid close attention to controlled application, his agricultural expenditures were just of 0.18 yuan per mu, in spite of the fact that in 1983 the insect pest situation was more severe than the previous year. The 11th Production Brigade of Zeng Village in Henan's Shangshui County implemented a "method for the balanced application of fertilizer" and provided an overall balance of organic and inorganic fertilizer for wheat in 1983 based on soil fertility, crop-growth requirements and the extent of fertilizer utilization, computing the overall fertilizer amount, enabling it both to satisfy crop fertilizer requirements and also avoid fertilizer waste. As a result, not only did this increase yield, reduce costs and increase profits, but it also greatly increased soil fertility. When 200 households at three places in Dongcheng Village of Zhejiang's Xiangshan County formulated production and cost plans at the beginning of last year, due to strengthened cost management, they formulated a cost plan in light of the actual labor used the previous year and the requirements of production measures this year, made thorough arrangements for the labor utilization plan, taking care of the additional man-days required in farming and using the surplus part in diversified activities, and so developed commodity production and increased income. In 1983, the amount of labor put into early rice was down 37.6 percent over the amount put in the previous year, the man-days for each item declined,

the man-days for field management increased 43.5 percent, and they achieved intensive and meticulous farming, with the surplus labor from 17 out of 20 households put into raising chickens, raising razor clams, tailoring, knitting, barbering, carpentry and small contract plants, and sent out to engage in sideline productions, etc., so that their annual income increased 17,000 yuan, or more than 100 yuan per household, and they achieved increased income for each and every household.

IV. Use Cost Accounting Data to Carry Out Economic Feasibility Evaluations of Advanced Agricultural Technology and Measures and so Provide an Economic Basis for Production Departments and Enterprises to Promote Use of Advanced Technology

The cost accounting point for Jiangsu's Rugao County carried out an analysis on the affects of different paddy rice planting densities on yield, income, cost and profit and from this learned that adopting the 4 x 5 planting pattern brought an increase of 106 jin per mu and increased income 14.42 yuan over the 3 x 4 planting pattern. The cost accounting point of Fujian's Jian'ou County learned through a comparison of the 7944 improved variety of early paddy rice and the old variety, Red 410, that with the former, the yield per mu was 156 jin higher than with the latter and the cost for 100 jin of paddy was 0.86 yuan less. Through a mass-style analysis movement, they promoted prelacing late rice with the new variety in the whole village and got a good harvest. According to the understanding of seven accounting households with records, the average yield per mu for late rice using Shan improved No 6 was 727 jin, a 49-jin increase over the Min improved No 4 used the previous year. The cost accounting point of the Sixth Gucheng Production Brigade of Jingtou Village in Jiangsu's Suqian County did an economic evaluation of organic greenhouses to nurse rice seedlings and dimethyl tetrachloride to weed wheat, and from this they learned that given the same input of labor and capital, by using organic greenhouses, the yield per mu increased more than 100 jin over the previous year, and that by using dimethyl tetrachloride the results for weeding wheat were quite good, for although expenditure went up 1 yuan per mu, they could save 5 to 7 workdays (converting wages to about 10 yuan). Spurred on by the cost accounting households, the whole brigade of 20 households also adopted these steps, and by adopting the one single measure of dimethyl tetrachloride to weed wheat, they saved over 360 yuan. To solve the problem of insufficient vegetables in early spring, the suburbs of Fuzhou City planned to adopt the use of arched canopies to grow hollow-stalked vegetables, but the peasants worried that the investment was great and not worthwhile. The cost accounting point of Huada Production Brigade carried out a comparison of the cost effectiveness of small arched canopies and the regular way of growing. The results showed that with small arched canopies, vegetables could be brought to market 24 days earlier, yeild per mu could reach 7,371 jin or 2,614 jin more than the regular way of growing, the income was 623.54 yuan per mu, costs were 384.37 yuan, or an additional expenditure of 243.4 yuan, but the income was 235.67 yuan, or 197.32 yuan more than the regular way of growing. With this analysis, they dissipated the misgivings of the cadres and commune members, and in 1984 the production brigade planned to expand arched canopy cultivation by 30 mu.

V. Use Cost Accounting Data to Evaluate Various Kinds of Water Conservancy Construction Measures for Farmland and their Benefits, and Promote the Development of Capital Construction for Farmland

In 1982, the cost accounting point for the Zuoliyi brigade in Gansu's Tianshui County, through contractual agreements, gathered over 5,000 yuan of idle funds from the commune members and overhauled the electric-powered irrigation project, and so improved the irrigation conditions for the brigade's entire 280 mu, and in 1983 they realized higher yields, lower costs and greater economic results. According to a survey of seven accounting households, their total income increased 80.3 percent over the previous year, while their total expenses grew 4.2 percent, and so agricultural expenditures as a proportion of agricultural income, fell from the 25.6 percent of the previous year to 22.9 percent and per capita income doubled. The Zhuangxi Production Brigade of Hubei's Changyang County used cost data to analyze the benefits of farming on slopes and terraces, and found that the yield per mu for wheat grown in terraced fields was 375 jin, or 24.1 percent more than the 302 jin when grown on slopes, and that wheat production per man-day was 22.5 jin for terraced fields, or a 89 percent increase over the 11.9 jin for that grown on slopes. For each yuan invested, terraced fields produced 135.1 percent more than slopes. With this accounting, the commune members and cadres made up their minds to contract out the brigade's entire 446 mu of slopes to 158 households to bring them under control by stages, and by the end of 1983 they had already transformed 7.2 mu. And in order to put the commune members at ease about transforming the fields, the production brigade also adopted these measures: 1) The fields that commune members are responsible for will be stabilized and not changed for 15 years, whoever improves the fields will receive the benefits, the grade of the fields will not be adjusted, nor will the amount to be handed over to the state be increased; 2) those who improve fields will be subsidized 10 to 30 yuan per mu from the accumulation fund. This promoted the development of farmland capital construction for the whole brigade.

VI. Supply Cost Information for the State's Concerned Departments' Study of Agricultural Product Prices

Cost data from various places shows that since the 3d Plenum of the 11th CPC Central Committee, the implementation of the contract system tying pay to production has greatly mobilized the production enthusiasm of the peasants, farmland management has been strengthened, much new technology has been adopted, agricultural production yield has grown quite a lot and many agricultural workdays have been saved, in addition to which the state has raised purchase prices for agricultural products, and when calculated with unchanging wages, profits have markedly increased. However, a number of problems still remain in agricultural product prices, one being that comparative prices between agricultural crops are not rational enough, and that profits for cash crops are greater than those for grain crops. Seen from nine agricultural crops, the profit for 1 mu of cotton grown is 2.76 times greater than for corn, for sugar beets it is 2.87-fold greater than for corn and 3.33-fold greater than for wheat. Second is that the purchase price for some crops tends to be low, producing a phenomenon where peasants grow little or none at all. In 1983, the purchase price for tea leaves in Zhejiang's Jinhua City was 20 yuan lower per dan than for the previous

year, yet the cost for tea leaves had increased 6.3 yuan, so that peasants felt it was not worthwhile to grow tea leaves. Tashi Commune has already taken over 370 mu of tea plantation for growing fir trees. Jiangsu and Shanghai show that when the purchase price for barley tends to the low side, then the area sown in barley declines. Some cost accounting points in Jiangsu's Huaiyin County had a yield of per unit area 419 jin for barley in 1982, income per mu was 57.75 yuan, costs per mu were 63.35 yuan and so there was a deficit per mu of 7.72 yuan. In 1983 the yield per mu was 406.6 jin, income per mu was 53.43 yuan, costs per mu were 48.88 yuan and profit per mu was only 3.16 yuan (if calculated at the wages of this brigade, then there was a 20.84 yuan deficit). In 1982, there were eight brigades that grew barley but in 1983 there were only five left. Anhui shows that when the purchase price for sorghum tends to be low, it does not aid in mobilizing the enthusiasm of the peasants for growing it. In 1983, that province's light industry departments needed 150 million jin of sorghum, but actually bought only 80 million jin, which was far from able to meet their needs. Jiangsu and Anhui both asked that, based on surveys and research, the purchase prices for barley and sorghum be appropriately adjusted upward so as to mobilize the peasants' enthusiasm for growing them and to satisfy the needs of the feed industry and light industry for these two crops. The third thing is that labor wages must be adjusted upward. The reasons are 1) that in recent years both agricultural production and peasant income have had very great growth, the standard of living has increased dramatically, per capita cost of living expenses were 162.21 yuan in 1982 and by 1983 they had already risen to 248.29 yuan, a 53.1 percent increase. 2) Both the net income created per man-day and the cost/profit ratio have risen enormously. In 1980, the income created per man-day was only 1.88 yuan, and in 1983 it had risen to 3.24 yuan, that is, a 72.5 percent increase; the cost/profit ratio rose from 19.2 percent in 1980 to 63.4 percent. 3) After the countryside implemented the responsibility system tying pay to production, the intensity of commune members' labor and labor productivity rose markedly, in 1980 each rural laborer created an output value of 706.53 yuan and in 1983 this reached 936.16 yuan, a growth of 39.6 percent. 4) Wages for workers on state reclamation farms and ranches and in commune and brigade enterprises have all greatly increased. Of these, the wages on reclamation farms have risen 10.5 percent, on ranches they have risen 22.1 percent and wages in commune and brigade enterprises have risen 36.9 percent. 5) There has also been a noticeable increase in wages in state industrial departments. Consequently, agricultural wages should also be adjusted according to changing circumstances.

In addition, a good many provinces, municipalities and regions feel that the accounts of the agricultural households at the agricultural cost accounting points is sound, that their records are accurate and that they have also gained a certain amount of experience and so they have decided, with the agricultural cost accounting points as the foundation, to join the accounting households together with the surrounding households to begin year-long registration and accounting of income, expenditures, distribution and agricultural crop yields in order to provide a basis for fully understanding the rural economic situation.

NATIONAL

BYPRODUCT FOOD INDUSTRY EXPANSION URGED

He Kang Promotes By-products

Beijing NONGMIN RIBAO in Chinese 9 Mar 85 p 1

[Article: "Steady Development of Farm, Husbandry, and Fishing Industry Work in Large and Mid-sized Cities: Upturn in By-product Food Supplies; Production Requirement Problems Still Exist: Minister He Kang Proposes Accelerated Production of Meat, Milk, Poultry, Eggs, Fish, Vegetables, Fruits, and Flowers"]

[Text] With consumption levels rising daily, Animal Husbandry, and Fishery Minister He Kang recently suggested that "our goal for the next 30 years is to maintain a stable base in grain production, accelerate production of meat, milk, poultry, eggs, fish, vegetables, fruits, and flowers, and provide better quantity, quality, and variety of farm byproducts and their processed by-products."

Over the past few years, farm production has gone to the household, and operations have become autonomous; and these developments have played an ever more important role in solving supply problems in fresh and live goods for the large and mid-sized cities. Based on a survey of 46 such cities, in 1983, per-capita consumption was 60 jin for meat, 17 jin for milk, more than one chicken, 11 jin for eggs, 22 jin for aquatic products, and 400 jin for vegetables. The average purchase of flowers per capita was 1.4 yuan. Yet with the extensive rise in purchasing power in society, even with the upturn in urban supplies of food by-products, problems of demand still exist. Moreover, as Minister He pointed out at the meeting of the National Committee on Urban Farm, Husbandry, and Fishery Work which opened on 2 March, this work must be based on the principles of service to urban areas, bringing affluence to the villages, revitalizing markets, and conveniencing the masses. It should take the form of an open commodity economy with free information and circulation and high quality. In this regard, the following measures are to be particularly stressed:

Urban and suburban (including municipal county) agriculture should proceed from demands of the urban markets, develop their strong points, coordinate arrangements, and adjust their enterprise structures and production layout in a planned and measured way.

--Farm, animal husbandry, and fishery commodity bases should be more rapidly modernized. Construction should be orderly and sequential. Priority should be given to five large systems: propagation of improved strains, spread of technology, feed processing, disease prevention, and processing, transportation, and storage of products.

--All areas should provide support for farmer management of whatever the farmer himself is able to manage. This includes adoption of diversified kinds of cooperative business. State-owned farms (in agriculture, husbandry, or fishing) and industrial or business units joining industry and commerce are slated to provide all kinds of services for farmers to develop commodity production, which will take the form of a production and business network. This network will have state-owned enterprise as the mainstay, service systems, and will bring together farmers specialized in planting, cultivation, and processing.

--Graduated reform of production and sales systems, with planned, step-by-step liberalization. As farmers are entering the cities to sell their goods, such management measures as product standards, and inspections for blight and hygiene should be strengthened.

Commentary Promotes By-product Output

Beijing NONGMIN RIBAO in Chinese 9 Mar 85 p 1

[Commentary: "Let By-product Foods Be More Abundant in Large and Mid-sized Cities"]

[Text] A major task for farming, husbandry, and fishery work in large and mid-sized urban areas is to speed up production of such by-products as meat, poultry, eggs, milk, fish, vegetables, and fruits and melons.

Large and mid-sized cities have dense populations and are the primary consumer market for food by-products. As income levels have risen in recent years, there has been a market improvement in living standards among urban dwellers. Edible grain consumption has been slackening off gradually while there has been a jump in consumption of food by-products. Demand for such foods as meat, poultry, eggs, milk, fish, vegetables, melons, and fruits is increasing not just in the realm of quantity, but for quality, freshness, nutrition, variety, and convenience. There is a huge gap between demand and supply of such foods in urban areas. The problem is becoming so great as to make a solution imperative. The key to solving the problem is construction of commodity production structures in outlying villages which serve the cities, bring affluence to the villages, revitalize markets, and improve supplies of these food products in the cities. This is the guiding policy for farm, husbandry, and fishery work in the cities. Of special note in this regard is the recent decision of the Politburo and State Council to reform the centralized and assigned procurement system and gradually liberalize pricing of farm by-products. This will give impetus to villages outlying urban areas to readjust their farm production structures and be vigorous in developing by-product production.

This development of by-product production must proceed from the consumption requirements of the urban dweller. This should gradually lead to the formation of a layout of by-product production which radiates from the city to the near, middle, and far reaches of the suburbs, all organically joined by the goal of serving urban needs. Of particular importance is support for development of households and villages specialized in cultivation, implementation of improved quality, diversification, and convenience for farm-raised aquatic products, and year-round supply to urban areas--even in the off-season. International markets should be broadened for "famous," local, "Unique," "rare," "excellent," and "new" products.

Accelerating development of farm, husbandry, and fishery production in the suburbs of large and mid-sized cities and providing improved quantity, and variety of by-products are the most pressing tasks. All such urban areas should stress ideology first, get a hold on the current situation, take advantage of opportunities, clarify instructions for the masses and cadres, delineate tasks, formulate plans and measures which are realistic and feasible, and through struggle bring about capabilities for self-sufficiency in by-products at an early date.

12303

CSO: 4007/297

NATIONAL

BRIEFS

UK OXFORD SCHOLAR--Beijing, 6 May (XINHUA)--Du Runsheng, director of the rural development research center of the State Council, met Neville Maxwell, research fellow at the Queen Elizabeth House of Oxford University in England, here this morning. Du answered Maxwell's questions about China's rural economic development. Maxwell, who is also director of the contemporary China center of Oxford, is visiting China as guest of the Chinese Academy of Social Sciences. [Text] [Beijing XINHUA in English 0714 GMT 6 May 85]

RURAL MANAGERIAL GROUPS--Beijing, 9 May (XINHUA)--More than 400 of China's 2,100 rural counties have managerial service groups formed recently to promote agricultural production and efficiency. Today's PEOPLE'S DAILY reported that 160 million contracts for rural management services have been signed since 1979. This sector has involved 87,000 cadres and 1.2 million accountants in the same period, and 50,000 farm households have benefited from assistance in cost accounting in the production of 70 agricultural items. Sichuan, Hunan and Hebei provinces have led the way in helping farmers tackle technical and marketing problems. [Text] [Beijing XINHUA in English 1055 GMT 9 May 85]

COUNTY 'AGRO-TECHNIQUE' CENTERS--Beijing, 2 May (XINHUA)--China now has 392 county-level agro-technique centers, including 26 set up since the beginning of this year. This means that about one-fifth of China's counties now have such centers, according to the Ministry of Agriculture, Animal Husbandry and Fishery today. The centers coordinate the work of independent research units, plant protection stations and training classes in the effort to spread agro-techniques. In many counties, according to the ministry, they are backed by village agro-technique teams staffed by peasant technicians. In addition, there are now households specializing in technical demonstration. [Text] [Beijing XINHUA in English 0201 GMT 2 May 85]

CSO: 4020/219

TRANSPROVINCIAL AFFAIRS

CONFERENCE STRESSES NEED TO IMPROVE PRC PORK PRODUCTION

HK070553 Beijing CHINA DAILY in English 7 May 85 p 1

[Article by Wu Yadong]

[Text] Suzhou--The state's relaxed control over the price of pork, which has touched off a pig-raising boom across the country, is still failing to meet a growing market demand.

The new policies have been linked to fresh efforts by governments at all levels to promote lean pig breeding.

A recent conference on the development of lean pig farms held here reported that many provinces, autonomous regions and municipalities have concentrated on improving the quality of pigs since last year.

Meanwhile, preparation work is nearing completion on 85 lean pig breeding bases in Hunan, Zhejiang, Jiangxi, Jilin and Liaoning provinces, it was reported at the conference.

In the past, pig-raisers have been fettered by a low purchase price offered by the state.

The 200 kilograms of grain needed to raise a single pig to maturity for meat could only be sold at a preferential price of 60 yuan (about \$21) to the state. But the profit on selling a pig was barely more than the value of the grain it consumed.

Although new policies, which have done away with the state compulsory purchasing system, have boosted pork output, lean pork is still failing to satisfy demands from consumers.

However, the conference said, Zhejiang Province, which started popularizing lean pig breedings earlier than other places, has made considerable advances in this field.

Half of the province's more than 5 million pigs raised last year were pigs with 50 percent of lean meat, adding about 42 million jin (21 million kilograms) of lean pork to local markets.

In Jiangsu Province's Suzhou City, a lean pig breeding farms system has been built up along the scenic Tai Lake.

The city has bought from other parts of China and foreign countries 70 head of Changbai, Yorkshire and Hampshire breeding pigs in recent years.

Lean pork exported by the city has won a good reputation in international markets, the conference heard.

The conference called on pig raisers all over the country to pay special attention to the breeding of lean pigs while guaranteeing the pork supply to market.

A series of experiments has been made by scientists to cross Chinese pigs with foreign strains. Researchers at the National Institute of Agronomic Research have come up with some combinations which will soon face the commercial test.

However, the shortage of lean pork is yet to be eased.

Last year, pigs with 50 percent of lean meat only took up 15 percent of the 200 million pigs taken to market.

That means each person in China could get only 5.5 kilograms of lean pork.

But, the conference heard, measures are being taken to improve the situation. Central and local governments have joined to establish 44 lean bases throughout the country, and the number will be increased to 150 by 1990.

By then, the total number of lean pigs raised annually in China is expected to reach 75 million.

Guidance on breeding, information flow, disease prevention and fodder supply will be provided by the state to pig raisers, the conference was told.

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TRANSPROVINCIAL AFFAIRS

SYMPOSIUM ON COMMODITY ECONOMY IN LARGE CITY SUBURBS REPORTED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 2, 23 Feb 85 p 27

[Article by Jiang Yu [3068 0060]: "A Brief Introduction to the Symposium on the Suburban Commodity Economy of the Large Cities"]

[Text] On 11 December 1984, our board of editors gathered some theoretical workers in the Beijing region and comrades of concerned departments to discuss the problems of the development of a suburban commodity economy of the large cities in our country. Thirteen comrades spoke at the symposium. They expressed their respective opinions on how to reinvigorate the commodity economy in the suburbs of the large cities.

In their speeches, many comrades mentioned that, in order to readjust the structure of suburban production, we must abide by the law of value. Under the circumstance of an increasingly invigorated economy, the problem of prices will have a tremendous effect on the readjustment of the production structure. At present, the far suburbs are developing more rapidly than the near suburbs. The main reason is that the production of vegetables in the near suburbs has occupied a large labor force, whereas the far suburbs or counties possess the superiority of labor force in the development of industrial sideline occupation. Under the influence of the law of value, the production structure will be readjusted according to results. For instance, in the Beijing suburbs, the order of results of the diversified undertakings is industry, grain production, fruit production, vegetable production and hog-raising.

Some comrades maintained that we should try our best to utilize such advantages as the developed industries and village and township enterprises in the suburbs of the large cities, the good transportation facilities and the relatively adequate funds to develop suburban commodity production of the large cities. At the same time, we should consider the production structure in light of market conditions. In terms of development, the suburbs of the large cities are not only the bases for supplying food to the large cities, but should also be a comprehensive body for the all-round development of agriculture, industry and commerce. In terms of planning, we can adopt a circular structure and draw a few concentric circles with the large city as the center. The first circle is nearest to the central city and is the most developed in its commodity economy. It can bypass the production of non-staple foodstuffs and focus on the development of industrial sideline occupation. The second and third circles can take the agricultural sideline products as the key. In short, we should not only solve the supply of non-staple foodstuffs to the large cities by considering only

the administrative divisions. In particular, we must not rely only on the near suburbs. We can consider the method of establishing a "second line" base in the neighboring provinces in solving the problem of the supply of non-staple foodstuffs to the large cities. In this way, we can enable the suburbs of the large cities to bring their superiority into play more flexibly.

Other comrades maintained that, in recent years, changes have taken place in the production structure of the suburbs of the large cities and industrial sideline occupation has also grown more rapidly. But we should also realize that we must not be inattentive to the problem of grain and non-staple foodstuffs. In particular, in the supply of non-staple foodstuffs, it may not work if we rely too much on allocation from other localities, for this may bring about tremendous waste.

The comrades from the Beijing Municipal Agronomical Institute presented the situation of the development of animal husbandry in Doudian in the Beijing suburbs. They pointed out in their speeches that we must pay special attention to the problem of ecological results in suburban production. Only a comprehensive development of agriculture, forestry and animal husbandry can provide us with ecological results. Therefore, when we consider the diversified undertakings in the suburbs of the large cities, we should not rashly negate the development of grain production and animal husbandry. In particular, in the problem of grain production, utilizing their irrigated land for development, the suburbs can obtain a profit of more than 200 yuan for every mu of cropland even under the present price system. Also, an important aspect of development for the suburban commodity economy in the future should be the conversion of grain into livestock products.

During a discussion of the policy of revitalizing the suburban commodity economy of the large cities, some comrades proposed that the key to revitalizing our economy lies in whether or not we open up our market in a planned manner. Since the suburbs of the large cities shoulder the responsibility of supplying non-staple foodstuffs to the cities, we must move steadily in opening up the market. We must open up the market for commodities by one and must not be overanxious in doing so. For instance, pork is the "indispensable" non-staple food for our people. If we open up the market on pork immediately at present, the consumers will not be able to handle it. Other non-staple foodstuffs such as beef, chicken, poultry eggs and milk, are different. Even if their prices are relaxed and rise a bit, they will not create a great pressure on the consumers. Moreover, after the market is opened up, the producers will have enthusiasm and will produce more products, which will in turn bring down the prices. When these commodities become more abundant on the market, we can then more safely open up the market for such commodities as pork and grain.

In addition to these problems, the comrades attending the symposium also discussed others such as the channels of suburban commodity circulation for the large cities and the information and service systems. Another symposium will be held in the near future to study further the problems of the development of a suburban commodity economy of the large cities.

ANHUI

LOANS TO SUPPORT ANIMAL HUSBANDRY, FISHERY DISCUSSED

Beijing NONGGUN JINRONG [RURAL FINANCE] in Chinese No 5, 1 Mar 85 pp 19-20

[Article by Wan Jun [8001 6874] of the Tianchang County Branch Bank in Anhui Province: "Support the Development of Animal Husbandry and Fishery and Promote the Conversion of Grain Locally"]

[Text] Tianchang County in Anhui Province is one of China's commodity grain bases. The whole county has 880,000 mu of farmland and an agricultural population of 470,000 people.

Since the Third Plenary Session of the 11th CPC Central Committee, with the development of agriculture, the rural areas have had more and more surplus grain. In 1984, the gross output of grain of the whole county was 1,081,000,000 jin, more than double the gross output in 1978 at 521 million jin. Over 400 million jin of commodity grain were delivered to the state. The per-capita contribution was over 1,000 jin. The commodity rate was 45.67 percent. The increase in grain output by a wide margin also brought along a new problem of "difficulty in selling grain." The whole county was unable to transfer 500 million jin of grain out to other places. Over 2,000 open grain storage depots were set up by the various grain stations. In light of this reality, our bank has, in accordance with the directive put forth by the county party committee to "develop animal husbandry and fishery and convert grain locally," in the last 2 years, issued without delay some 5 million yuan in loans to vigorously support the peasants in developing animal husbandry and fishery while actively supporting grain production, promoted the conversion of grain locally, and promoted the organic integration and rapid development of agriculture, animal husbandry and fishery. Our concrete methods of work are as follows:

1. Renew our understanding of the major significance of developing animal husbandry and fishery and China's superior natural conditions.

The party Central Committee has reemphasized that we "must resolutely not relax on grain production while actively developing diversified undertakings. In the past China has developed diversified undertakings, especially animal husbandry and fishery, but not rapidly. The main reason was the inhibition imposed by "leftist" influences and old habits.

The changes and development of the rural economic situation have forced us to readjust our credit and loan work in conformity with the agricultural structure. The development of the national economy and the increase in the income of the urban and rural people have brought about a very large consumer's market for livestock and fishing products. One hen and one poultry for breeding require some 70 jin of feed every year. A dairy cattle requires 7,000 jin of feed every year. A fat pig requires 300 jin of feed every year. Even fish requires a large quantity of feed. Thus, the development of animal husbandry and fishery can promote the conversion of grain locally. At the same time, the development of the processing industry involving livestock products can realize a multi-level increase in the value of livestock products. The comprehensive management of agriculture, industry and commerce can further revitalize the rural economy, create more wealth, and open up broad prospects for revitalizing rural banking. Our country is situated at the shore of the Gaoyou Lake. We have over 50,000 mu of pastures, have abundant resources for animal husbandry and fishery, and other superior conditions awaiting development and utilization on a full scale.

Through analyzing these favorable conditions, we have raised our understanding and have become more conscious in supporting the development of animal husbandry and fishery.

2. In light of the new situation of the rural economic development, rationally readjust the loan structure.

First, our banks readjusted the direction of circulation and proportion of loans. Prior to 1982, on the average, the banks and credit cooperatives put roughly 10 million yuan of agricultural loans in circulation annually. But the loans used for animal husbandry and fishery were less than 300,000 yuan, constituting only 3 percent. In 1984, the banks and credit cooperatives put 19,537,000 yuan of loans in circulation, 2.86 million yuan of which were used in animal husbandry and 1.4 million yuan in fishery, with a total of 4.26 million yuan, constituting 21 percent of the gross amount of loans, 6 times more than that of 1982. The focus of support for animal husbandry was livestock for breeding and poultry for breeding. Active support was given to the female hog breeding households in terms of selection of breeds, matching of breeds and feed. We also supported the building of 57 heatable brick stalls [kang fang 3510 0972] throughout the county, putting a total of 700,000 yuan of loans in circulation. We were able to provide the market with 8.26 million poultry for breeding, thus satisfying the needs of some peasant households in raising poultry. In respect to the loans for fishery, we put our focus on supporting the expansion of fish ponds for fine breeding. Jiepai Village obtained a loan of 50,000 yuan last spring to expand the fish pond for fine breeding by 400 mu. That year, the peasants provided 200,000 jin of commodity fish for the market. Fine feed was necessary for developing livestock and poultry. In 1984, we put 280,000 yuan of loans in circulation. In coordination with the grain departments, we successively built six feed processing factories, producing some 2,000 tons of 12 types of mixed feed that year, supplying the peasant households in raising livestock and poultry.

Secondly, with respect to the targets for loans, the banks and credit cooperatives shifted from supporting mainly the collectives to supporting mainly the priority households and specialized households. Toward those specialized households and priority households involved in livestock and fishery production and which have converted more grain, loans are given as long as these households have technology, are well managed, score fine results and keep their promises. According to statistics, there are a total of over 3,600 specialized households in animal husbandry, 351 specialized households in fishery and aquatic products, and 1,420 specialized households in poultry breeding throughout the county. They all have specialized technology and business management ability, are able to bear hardship and work hard, and have a definite amount of funds on their own. We have supported them vigorously with funds and information. For instance, Hu Yongxin [5170 3057 0207], an expert at fish rearing in Jiepai Village, contracted 45 mu of fish ponds for fine breeding. He had the techniques but lacked the funds. The credit cooperative offered him a loan without delay, and assisted his household in rearing fish and cultivating pearl from river oysters. That year, more than 10,000 yuan in profit were obtained. The masses of Xinjian production team in Laogang Village of Qiaowan Town were equipped with the conditions for raising poultry. They had the techniques but had difficulty in buying poultry for breeding. The credit cooperative then joined up with the heatable brick stalls, and let the stalls provide the poultry for breeding for these households first. Zhou Li, [0719 0448] commune member of Tianchang Village, had the techniques of raising dairy cattle. The bank gave him 5,000 yuan in loans (he had 5,000 yuan of funds himself) and assisted him in purchasing four dairy cattle from Shanghai. That year, 18,000 kg of milk were produced, supply over 300 households in Tianchang Town with fresh milk.

Thirdly, with respect to the use of funds, we focused on supporting the pre-production and post-production service work. We actively supported with loans the food processing industry with grain and poultry eggs as the raw materials of the various villages and towns. Over 10 million jin of grain was used in the food processing industry throughout the county. The various villages and towns also set up pastry factories, vermicelli factories, and sauce and vinegar factories. In particular, the sales volume of the August moon cake and the spring festival square cake once a year totaled 500,000 to 800,000 jin. Every day, the 38 villages and townships sold 1,500 sauteed ducks and chickens. In Qinlan Town, two sauteed geese restaurants prospered with the help of 40,000 yuan of loans from the bank. Every day, they sold 80 sauteed geese, obtaining 120 yuan in profit. We also supported the production of the Songhua preserved eggs which used duck eggs as the raw material. Last year, 10,000 vats were produced (360 eggs in each vat). These eggs were not only sold popularly locally, but were sold to the various large cities in Southeast Asia and throughout China. In addition, in close coordination with the concerned units, we also did a good job of

popularizing the technology of animal husbandry and fishery, the import of fine breed and the prevention and elimination of diseases. In the last 2 years, the whole county imported 16 fine strains of livestock and poultry. Last year, 120,000 fine chicken strains were again imported, promoting the conversion of grain locally and the development of commodity production.

9335

CS0: 4007/321

FUJIAN

BRIEFS

ORCHARD ACREAGE--Fuzhou, 27 Apr (XINHUA)--This year, Fujian Province planted another 450,000 mu of various kinds of fruit trees, 50 percent more than last year. Governments at all levels have taken positive steps to encourage peasants to plant fruit trees on barren hills, and allocated a part of farmland for fruit growing. They have also done a good job in supplying seeds and saplings and providing financial and technical assistance. [Summary] [Beijing XINHUA Domestic Service in Chinese 0029 GMT 27 Apr 85 OW]

CSO: 4007/338

GANSU

BRIEFS

DISASTER RELIEF WORK--On the night of 2 May, the Provincial CPC Committee and the Provincial Government held a telephone conference. It urged leadership at all levels in disaster areas to actively organize disaster relief activities, to launch campaigns of self-salvation through production, to really make arrangements for the well-being of the masses, and to safely tide over the spring famine [chun huang]. Lu Kejian, deputy secretary of the provincial CPC committee, made a speech at the conference while (Luo Ming), presided over the conference. [Text] [Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 2 May 85]

GANSU SHELLESS GOURD SEEDS--Lanzhou, 5 May (XINHUA)--Gansu Province agronomists today announced the development of a shellless, edible bottle-gourd seed. Wuwei Prefecture Agricultural Research Institute crossbred the American pumpkin and the local bottle gourd, and 2.3 hectares of the result are being sown this year. The seed, containing 9.5 percent oil, is sweeter and the output higher than with local gourds. It is grown much like the local bottle gourd. [Text] [Beijing XINHUA in English 0108 GMT 5 May 85 OW]

CSO: 4020/219

GUANGDONG

BRIEFS

SUGAR OUTPUT--Guangzhou, 11 May (XINHUA)--Guangdong Province in south China, one of China's major sugar producers, turned out 1.56 million tons of sugar in the refining season this year, hitting an all time high. The output was 460,000 tons more than last year. The acreage planted to sugar canes this year was 23,000 hectares more than the last. A total of 13 million tons of sugar canes were harvested. According to the provincial authorities, the peasants are expected to gain a total 580 million yuan from this sugar-refining season. [Text] [Beijing XINHUA in English 0106 GMT 12 May 85]

CSO: 4020/219

GUANGXI

BRIEFS

SUGARCANE PRODUCTION--The region does well in growing sugarcane by overcoming difficulties in climate. By 20 April, the region had planted 2.71 million mu of sugarcane, overfulfilling the target by 4.4 percent, representing an increase of 445,000 mu over 1984, and marking an all-time high in sugarcane-growing area of the region. [Summary] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 6 May 85 HK]

CSO: 4007/338

10 June 1985

GUIZHOU

HOUSEHOLD WORKSHOPS SPUR RURAL ECONOMY

OW010717 Beijing XINHUA in English 0635 GMT 1 May 85

[Text] Guiyang, 1 May (XINHUA)--The rapid spread of peasant household workshops has injected vitality into the backward rural economy of Guizhou Province, southwest China, an official in charge of rural industry said here today.

Now the number of workshops run by groups of families and individuals is 188,000, involving a total of 500,000 people.

Last year, they turned out a combined output value of 633 million yuan, 160 percent more than in 1983 and accounting for 50.7 percent of that of rural industry as a whole.

Peasant household workshops in Guizhou cover mining, building materials, transport, repairs, processing, and service trades.

Industrial workshops have developed at the fastest speed, the official said. Their number now exceeds 9,200, with an output value making up 53.1 percent of the total.

Since household workshops require little investment and yield faster results, the economists in the province consider them the optimum units for boosting commodity production in hilly Guizhou.

All the 449 household workshops in Zhongcao township near Guiyang, capital of the province, made profits last year, and the average per-capita income for the year was 1,000 yuan.

Peasant entrepreneur Yang Hongji and his family run a farm produce and daily-use articles company in Guiyang. His company, with a flow capital of more than 600,000 yuan, took part in the Guangzhou commodities fair this spring and also run a joint automobile repair venture with a Hong Kong firm.

The official said, the system of family workshops can prepare funds and train personnel for future larger-scale enterprises; and the local government is simultaneously encouraging state units, collectives and individuals to run industrial enterprises.

Since the beginning of this year, the provincial authorities have given preferential treatment in credit and taxation to household workshops engaged in the production of fodder, foodstuffs and energy.

Support in the form of market information, raw materials and advanced technology is also being planned.

CSO: 4020/219

HEBEI

LANGFANG SHIFTS FOCUS OF WATER CONSERVANCY WORK

Beijing ZHONGGUO SHUILI [WATER CONSERVANCY IN CHINA] in Chinese
No 2, 15 Feb 85 pp 11-12

[Article by Water Conservancy Bureau, Langfang Prefecture, Hebei Province: "Turn the Focus of Water Conservancy Work Towards Supporting Rural Developmental Commodity Production"]

[Text] In our previous development of water conservancy and irrigation, we "took grain as the key link." In actuality this meant that we only developed water to irrigate wheat to the neglect of agriculture at large and to the neglect of supporting the development of rural developmental commodity production to match local conditions. In the year since spring 1984, when we refocused our water conservancy work onto the support of rural developmental commodity production, practice has proven the success of this reform. It has reaped marked economic results and been welcomed by the broad masses of the peasants and the basic level cadres.

In keeping with the natural geography of our prefecture, we have placed the focus of support on the restoration and building of aquatic product base areas (water impoundment areas), redeveloping the numerous varieties of aquatic products and processed aquatic products which in the past had a long history and renown in Beijing and Tianjin; on supporting the development of dry and fresh fruit products and on other economic crops; and on supporting the rehabilitation and utilization of abandoned pits and ponds and on opening up sandy or saline-alkaline wasteland. Our methods have been:

1. First of all, to make thorough use of existing water project installations of various kinds.
2. To pool funds. In the spring our prefecture utilized 2.57 million yuan in supplemental contract funds for farmland water conservancy and tube wells. By October we had spent ahead of time an additional 1.00 million yuan of 1985 contract funds for

small scale water conservancy on the support of rural developmental commodity production. In all we supported 91 townships, 269 villages, 352 economic associations and 8,048 contractor households in the 9 counties of our prefecture. This constitutes 1.3 percent of the prefecture's rural households. The total land area receiving developmental support is 63,296 mu, 18,500 mu of which, with 1,013 households in 9 villages, are in the Mawuying [7456 2976 3632] of the Wenan [2429 1344] Lowland and Dongzhangwu [2639 1728 0523], Langfang City, two aquatic products base areas (water impoundment districts); 37,168 mu are orchards which we have supported and rescued; 3,425 mu are abandoned pits and ponds which have been rehabilitated with support; and 3,898 mu have received support for the cultivation of paddy on transformed saline-alkaline wasteland.

3. Change from the past restrictions limiting fund disbursement to within administrative boundaries to a policy of backing the best options. By directly examining the contractor combines in assisted villages, the prefectural water conservancy bureau selects the best in order to maximize the economic benefits of state water conservancy funds. This way also further induces the Party committees and governments at all levels to take seriously the development of rural developmental commodity production. All the cities and counties of the prefecture have set up rural developmental commodity production leading groups directed by the assistant county (city) government head in charge of agriculture, forestry and water conservancy and with members from relevant departments such as in water conservancy, science and technology, agriculture, forestry, aquatic products, public finance, banking, supply and marketing and notarization. Each relevant department assumes its own tasks and responsibilities and coordinates closely with others to pool efforts in waging battle.

4. Universally adopt contract bidding. There are four main items in a contractor's bid: (1) the plan for development and construction; (2) the amount of funds contributed by the contractor, and the amount required from state support; (3) the percentage to be withheld and paid to higher levels for collective purposes; and (4) the shares of production and profits going to the state and the contractor.

5. All the water conservancy support funds are revolving funds, repaid annually from when the benefits begin. All the repaid funds continue to be used to support rural developmental commodity production. In addition, in keeping with contract stipulations, 6 to 10 percent of funds is taken yearly from the benefits to cover necessary expenditures incurred by the basic level water conservancy units to develop this work.

After a year of practice, we have summed up the following five advantages:

1. It has greatly improved the economic effectiveness of water conservancy funds. In spring 1984 the prefecture spent 2.57 million yuan on supporting the development of rural developmental commodity production. According to survey figures, that year's value may have increased by 5.00 million yuan, nearly double the amount of state funds. From here on out the annual increase in value will grow at an even faster pace. For example, Xixu [6007 1776] Village in Beima [0554 7456] Township, Gu'an County has a 160 mu orchard with 1,300 mature trees. Because of drought, they basically did not bear fruit the year before last. In spring 1984 we supported them with 2,000 yuan of water conservancy funds and contracted to 8 households, including that of Zhao Yushui [6392 3768 3055], who provided 4,000 yuan of their own to dig a new tube well and solve the problem of irrigation. That year over 170,000 jin of fruit were produced, bringing in an income in excess of 20,000 yuan while protecting the leaves of the fruit trees. It is estimated that 1985 fruit production can exceed 250,000 jin.

2. It has boosted the implementation of CPC Central Committee Document No 1, 1984 by further carrying out the contract responsibility system linked to output. Originally, because there was no water in time of drought and no one contracted, vast stretches went out of cultivation, or when they were parcelled out to households, no one looked after them. The contract period was short (generally only 3 years), so the responsibility system was not carried out fully. We have accordingly stipulated that any projects which receive support must have a contract responsibility system linked to output with a minimum contract period of 15 years. The contract period for some supported production projects (such as aquatic products base areas, orchards and pits and ponds) reaches 20 years or more. For example, the Qianliuguanying [0467 0491 1351 3602] Village, Longhuzhuang [7893 5706 8369] Township, Yongqing County, has a 125 mu orchard with 700 pear trees and 800 apple trees. The fruit trees, lacking water in time of drought, were near extinction with no one contracting for them. With support in 1984, the irrigation problem was solved. Five households, including that of Wang Hejin [3769 6320 6855], submitted a successful bid for a contract period of 25 years and rescued the orchard.

3. Support for poor villages transforms their impoverishment. Since 1984, we have given priority to supporting developmental commodity production in poor villages. This has received the enthusiastic support of the masses in the poor villages, and has truly played a role in changing their poverty into wealth.

4. It has promoted specialized cooperation in the rural areas. In 1984 our prefecture supported 352 contract combines, a total of 8048 contracting households. This will play an ever increasing role in promoting the enforcement of the Party's policies on guiding some of the peasants in the rural areas to travel along the path of specializing in commodity production.

5. It has greatly accelerated the circulation of water conservancy funds, creating a virtuous circle. In the past, the water conservancy funds provided by the state to support agriculture were consistently gratis. Although subsidies for tube well construction and funds for farmland water conservancy have been repayable since 1980, with the universal implementation of the household contract responsibility system linked to output throughout the countryside, it has become difficult in practice to recover repayable water conservancy funds. Since spring 1984, when we support the development of rural developmental commodity production, a contract is signed directly between the water conservancy departments and the contracting combines wherein the two sides agree that the state support funds will be repaid annually beginning the year that the contracting households receive economic benefits. This provides a reliable guarantee that the funds will be recovered. If our prefecture can take 3 million yuan a year to support rural developmental commodity production, after ten years there will be 20 million yuan a year which can be circulated.

This reform has only just begun. In our future work must conscientiously sum up our experience so as to perfect our efforts progressively. We plan to engage in pilot projects for 3 years and proceed in a big way for 7 years, so that this work will develop relatively well.

11723

CSO: 4007/243

HEILONGJIANG

FLOOD DESTROYS HOUSES, CROPLAND

OW051059 Beijing Domestic Service in Mandarin 1600 GMT 2 May 85

[Text] According to the Heilongjiang People's Broadcasting Station, army men and people along the upper reaches of the Heilong Jiang have combatted the flooding caused by ice floes, which began on 18 April. As of 2 May, all parts of the upper reaches of the river, with the exception of two ice dams in Gucheng Island in Mohe County and in the (Xinjieji) Village in Huma County, had been cleared, and the people in most parts of the stricken areas have started rebuilding their homes.

This spring, warmer weather came to the upper reaches of the Heilong Jiang before ice in the lower reaches melted. This reversal created many ice dams in the river, blocking the river course and causing flooding and destruction. According to preliminary estimates, the flooding caused by ice floes the upper reaches of the river submerged 240,000 mu of cropland and washed away over 600 houses, causing losses to 300,000 people.

After the flood occurred, the Heilongjiang Provincial Government, the provincial military district, the Shenyang Military Region, and departments concerned of the state expressed their great concern for the stricken areas. The Shenyang Military Region and the Heilongjiang Civil Aviation Administration have dispatched a dozen or so airplanes to help with the relief work. During the flooding, leaders of all cities and counties in the upper reaches of the Heilong Jiang went to the inundated areas to help evacuate people and property, thus reducing the losses to the minimum.

CSO: 4007/338

HEILONGJIANG

PROGRESS OF LARGEST STATE FARM REPORTED

Beijing ZHONGGUO NONGKEN [STATE FARM AND LAND RECLAMATION] in Chinese No 10,
24 Oct 84 pp 17-18

[Article by the State Farm General Bureau of Heilongjiang Province : "The Great Northern Wasteland Has Become the Great Northern Granary"]

[Text] The Heilongjiang Reclamation Area is at present the largest state farm in the nation and it is also an important commodity grain base.

After more than 30 years of building this enterprise through arduous effort, the Heilongjiang Reclamation Area has already constructed an important national commodity grain base at a considerable production scale and production level. There are now 97 farms and ranches in the entire reclamation area. These farms are distributed over nine farm management bureaus in the three areas of the Sanjiang Plain, Xiaoxing Anling and the Songnen Plain; the areas have a total population of 1.627 million, of which 710,000 are workers and staff, and have 28.94 million mu of cultivated land, which is equivalent to 43 percent of the cultivated land in the entire nation's reclamation farm system. The reclamation area has 20,882 tractors, 12,345 cereal combines, a total of 2.94 million horsepower in agricultural machinery and 6,394 trucks, and these represent 37 percent, 65 percent, 30 percent and 21 percent, respectively, in these categories in the nation's reclamation farm system. The overall mechanization level of agricultural production is about 90 percent, and consequently, agricultural labor productivity is fairly high; in 1985 each agricultural worker produced an average of 25,000 jin of grain, creating an output value of 5,000 yuan. The 2d Brigade under the 5th Branch of Friendship Farm has a total of 20 agricultural workers farming 25,000 mu of land, which is an average of 1,250 mu per person, and in 1983 they produced a total output of 11.85 million jin of grain, an average of 592,000 jin per person, and an output value of over 70,000 yuan. In 1983, the Heilongjiang Reclamation Area's total grain and soybean output was 6.65 billion jin, and it turned in 3.85 billion jin of commodity grain to the state. These two figures are 36 percent and 75 percent higher, respectively, than those of 1978 and have set the highest record in history for the reclamation area. In addition, the reclamation area has 680 industrial enterprises which mainly serve agriculture or which use agricultural and sideline products as their raw materials, and not a few of their products have a definite competitive

capability. In 1983, there were 20 types of 10 different products in the reclamation area, such as dairy products, confections, canned goods, fruit liquor, paper, knitting wool, etc., which earned the designation of superior products from the Ministry of Agriculture, Animal Husbandry and Fishery. Of these, the Yuandashan brand of powdered milk won the National Silver Medal. Also, there were more than 60 products which entered the international market and earned 130 million yuan in foreign exchange each year. In 1983, the Heilongjiang Reclamation Area had a total industrial and agricultural output value of 2.64 billion yuan, of which the total agricultural output value was 1.8 billion yuan or 68 percent of the total industrial and agricultural output value, and the total industrial output value was 840 million yuan or 32 percent of the total industrial and agricultural output value.

On a foundation of production developing year after year and of constantly rising economic results, the lives of the workers and staff have also improved correspondingly. In 1983 the per-capita income for the entire reclamation area was 385 yuan, the per-capita housing area reached 7.6 square meters and the lean-to's and shanties of the early period of building state farms have mostly been replaced by new-style houses and multi-story buildings. The Great Northern Wilderness of the old days, which had no sign of human habitation, has already been transformed into the Great Northern Granary.

With the development of agricultural production, the scientific and technical strength of the Heilongjiang Reclamation Area has continually grown stronger, and at present there is already a scientific and technical cadre contingent of over 14,000 people. This solid technical force played an important role in the building of the reclamation area. In the 5 years between 1979 and 1983, there were over 190 scientific and technical achievements in the reclamation area earning awards at the general bureau level or above, and the total number of scientific and technical achievements of these 5 years was double that of the previous 30 years; of these, more than 20 achievements earned awards from various ministries and committees of the State Council, with 8 also earning prizes for popularizing achievements awarded by the national scientific committees. They popularized the chemical weeding of soybeans over a wide area and in 1983 chemically weeded an area of 14.41 million mu, which was 62 percent of the 23-million-mu area that was chemically weeded in the entire nation's reclamation farm system. The reclamation area also introduced advanced foreign machinery and technology, and now a great deal of advanced equipment and technology, such as electronically controlled precision sowing, hydraulic devices for agricultural implements, large-scale motor-driven circular sprinkler irrigation, the aerial application of fertilizers and agricultural chemicals to leaf surfaces, deep, loose and minimal plowing, etc., has already been popularized throughout the reclamation area, thus enabling both the management and production levels to raise greatly. In the 5 production years between 1979 and 1983, in spite of the fact that only 1980 had fairly good weather conditions, the whole reclamation area overcame various natural disasters such as drought, waterlogging, low temperatures and little sunshine and had a fairly great production development, with production totaling 27 billion jin of grain and soybeans in those 5 years, of which

14 billion jin of grain and soybeans were sold to the state, or an average annual production of 5.4 billion jin and an annual average of 2.8 billion jin sold to the state (of which about 800 million jin were soybeans). In these 5 years, apart from reduced production and the 390-million-yuan deficit in 1981 from the worst waterlogging disaster in over 30 years, the other 4 years all had a profit and the profits and losses offset each other, so that in the 5 years there was a net profit of 320 million yuan. In 1983, of the 97 farms and ranches in the reclamation area, 92 had a profit, and of these, 13 doubled their output value within 5 years.

In the past 30 or more years, the state has given tremendous support to construction in the Heilongjiang Reclamation Area. By 1982, the total amount for capital construction investment reached 3.07 billion yuan, in addition to a total of 6.2 billion yuan to subsidize deficits and to be used for various other channels of investment over the years. Using these funds, Heilongjiang has helped settle over 1.6 million people and has opened up 40 million mu of wasteland. After deducting the land occupied by projects like capital construction, roads and drainage and irrigation, etc, the province has already created 28.94 million mu of cultivated land, produced a total of 88.1 billion jin of grain and soybeans and sold to the state 41.95 billion jin of grain and soybeans and a large number of agricultural, animal husbandry, industrial and sideline products. Yet the reclamation area now has 2.2 billion yuan in fixed assets, added to which is a total of about 6.25 billion yuan for important policy or social expenditures over the years for field capital construction, communications and telecommunications, the opening up of wasteland, of forestation and other one-time extra-account property that were cancelled after verification and borne by the state. This is basically equal to the total state investment in the reclamation area.

Since the 3d Plenum of the 11th CPC Central Committee, the Heilongjiang Reclamation Area has eliminated the mistaken "leftist" line, resolutely implemented a whole series of economic reforms and, while upholding the main emphasis on the state-run economy, has actively supported and developed collective and individual economies. In order to smash the corrupt egalitarian malpractice of state farms eating from the "big rice bowl," to put an end to the "iron rice bowl" and to enable the farm economy to acquire a new impetus and vitality, the state first began in 1979 to implement the reclamation farms' full assumption of financial responsibility, granted no state subsidies even to those farms with large deficits and allowed farm retention of profits in order to solve the problem of the enterprises eating from the state's big rice bowl. Later, to solve the problem of eating from the enterprises' big rice bowl by workers and staff, the enterprises implemented various forms of management contract responsibility systems and contracted with locomotive crews, with workers and with households. They are just now developing in the direction of having the families themselves bear the responsibility for profits and losses. The family farms that have been trial-tested have all had excellent results, creating an even more intimate connection between laborers and production results, giving full play to the two initiatives of ownership by the whole people and of family farms and giving full play to the superiority of mechanized

large-scale production. The farm management system is also suited to the needs of enterprises which have shifted from the production-type system to the production management-type system and we are just now carrying out reforms to reduce layers, simplify organization, raise effectiveness and do well with before, during and after-production service work in order to raise the economic results of the enterprise and raise and improve the livelihood of the workers and staff.

The Heilongjiang Reclamation Area has used its abundant natural resources to attract foreign investment. Now there are already two projects which use foreign capital. In May 1985 they signed an agreement with Japan's Nichimen(?) Jigyo Kabushiki Corporation to set up the Hong He farm, opened up 400,000 mu of cultivated land and introduced over 700 pieces of equipment (sets) for field cultivation, sprinkler irrigation, transportation, grain storage, radio-telecommunications installations, water conservancy projects and other advanced equipment worth \$13 million. In 1982 we started to repay the loan with the soybeans we had produced. Although loan repayment is still pressing, due to the fact that for the past 3 years the drainage and water conservancy projects have not been in place, we have repeatedly suffered from waterlogging disasters and yet have set up a new-style, modernized state farm on the wasteland. Now, the drainage and water conservancy network is in the beginning state of construction, and there are already over 41,000 mu of protected forests for the farmland and greenification forests for the farm districts, residential buildings, service buildings and school buildings in the farm section already built. We have set up the beginnings of a small town composed of groups of multi-story buildings, opened a window on the world's advanced agricultural technology and provided China's agricultural modernization construction with a lesson to learn from and with beneficial experience. Another project is to open up 3 million mu of the Sanjiang Plain, using an \$80 million loan from the World Bank and carrying out open invitations to tender and open submittal of tenders for the agricultural equipment, project machinery and management facilities purchased with the loan. The products of certain factory specialists from countries such as America, the Federal Republic of Germany, Japan and Sweden got the bids. These factory specialists who got the bids provided the first batch of machines, which were valued at approximately \$34 million in 1984. The water conservancy projects, roads, bridges and culverts, transmission lines, building construction and sunning grounds are just now proceeding according to plans.

The Heilongjiang Reclamation Area still has a tremendous potential for development, and at the present, there are still 14 million mu of wasteland and a large quantity of forest land, grassy plains and water surface that has not been developed. There are also abundant mineral reserves, energy and various wild plant and animal resources which have not been used. As for the part that has been opened up, the level of production is not high, and the extent of comprehensive utilization is even lower. The reclamation area should draw lessons and experience from farm construction over the years and further liberalize policies and speed up the pace of economic reform in order to promote even greater development of the reclamation area. By the end of the century, a new reclamation area will appear

on the northeastern frontier of the motherland that features the overall development of farming, forestry, animal husbandry, sideline occupations, fishery and industry; the combined management of agriculture, industry and commerce; the further development of science and technology; and the further raising of the level of production. It will not only provide the nation with even more commodity grain basis, but it will also become an important national base for animal husbandry products and for specialty products, an important base for food products and an important base of foreign trade and export products.

12452

CSO: 4007/141

HEILONGJIANG

BRIEFS

WHEAT SOWING--As of 19 April, Heilongjiang Province has sown wheat on over 22.2 million mu of lands, accounting for 69.4 percent of the planned wheat sowing areas, an increase of over 16 million mu over the corresponding period of 1984. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 21 Apr 85 SK]

SPRING DROUGHT--Some cities and counties in rural areas of Heilongjiang are suffering from spring drought to varying degrees. At present, the ravages of drought are relatively serious in Zhaodong, Zhaozhou, Anda, Qinggang, and Mingshui Counties, and more than 9 million mu of fields in these counties have been afflicted. According to the meteorological department's forecast, these counties will have relatively little rainfall in April and May, and the growth of crop seedlings will be affected by drought. The southern part of Qiqihar City, and Jidong, Suiling and Shuangcheng counties are also suffering from drought to varying degrees. A weather forecast indicates that the drought in the southern part of the province will become worse and worse. [Text] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 23 Apr 85 SK]

AFFORESTATION WORK--As of 30 April, Heilongjiang Province fulfilled the annual target for afforestation. Thus far, the province has afforested 5.012 million mu, overfulfilling the annual target by 0.2 percent. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 30 Apr 85 SK]

CSO: 4007/338

HENAN

BRIEFS

WHEAT DISEASES CIRCULAR--The Henan Provincial People's Government yesterday issued an urgent circular on quickly preventing and controlling wheat rust and powdery mildew. The wheatfields throughout the province now promise a bumper harvest but since the middle of March, wheat rust and powdery mildew in the eastern and southern parts of the province have successively occurred. According to investigations conducted by departments concerned some 18 million mu of wheatfields have been struck by the diseases. It is estimated that by 5 May, the areas struck by the diseases will reach over 20 million mu and the areas seriously harmed will reach about 8 million mu. All prefectures, cities, and counties which have had wheat rust, must urgently mobilize the cadres and the masses to regard the prevention and control of wheat rust and powdery mildew as an urgent task. They must concentrate all forces to do this work well. [Summary] [Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 30 Apr 85 HK]

CSO: 4007/338

HUBEI

BRIEFS

PADDY FIELD FISHERY--According to the Hubei KEJI BAO, published today, while studying aquatic products work with responsible persons of the provincial aquatic products department recently, provincial CPC committee secretary Guan Guangfu said that this year the province should grasp paddy field fishery just as it grasped the production of hybrid rice last year. The state and the masses can jointly breed and catch fish in surface water and benefit from it. Guan Guangfu said that we must seize the current favorable opportunity to formulate practicable and effective measures which can raise economic efficiency and to seriously solve the problem that people in a land of fish and riches have no fish to eat. [Excerpt] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Apr 85]

CSO: 4007/338

JIANGSU

NEW GRAIN, COTTON WAREHOUSES TO BE BUILT

OW011121 Beijing XINHUA Domestic Service in Chinese 1615 GMT 29 Apr 85

[By reporter Fei Qiang]

[Excerpts] Nanjing, 29 Apr (XINHUA)--According to information obtained by this reporter from a national work meeting on construction of grain, cotton, and fruit warehouses which ended here today, the State Council has decided that new granaries capable of holding 30 billion jin of grain and cotton warehouses with a combined capacity of 20 million dan be built this and next years with funds provided from both central and local resources.

Since November 1983, the State Council has decided, on two occasions to raise funds totaling 3.73 billion yuan for construction of a number of grain, cotton, and cold-storage warehouses capable of holding 70 billion jin of grain, 30 million dan of cotton, and 200,000 metric tons of fruits. The pace of investment and the scale of the warehouse construction work are both unprecedented since the time of liberation.

Cosponsored by the State Planning Commission and the Ministry of Commerce, this national work meeting on construction of the "three categories of warehouses" stipulated that the new grain and cotton warehouses approved by the State Council should be located in such a way as to suit the drastic change in rural production work and meet the needs of commodity production and circulation. By and large, they will be located along railways, at sea and river ports, and at hubs on trunk highways.

CSO: 4007/338

JIANGSU

FARMLAND CONCENTRATION FOR SPECIALIZED GRAIN OUTPUT URGED

Beijing NONGYE JINGJI WENTI [PROBLEMS IN AGRICULTURAL ECONOMICS] in Chinese
No 9, 23 Sep 84 pp 30-33

[Article by the Agricultural and Industry Department of the Wuxi Municipal Party Committee: "The Relative Concentration of Land for Grain Production Is the Starting Point for Realizing the Specialization of Grain Production"]

[Text] Grain production is the prerequisite and the foundation for developing a diversified economy. Management scale and style for grain production are intimately connected to the whole of rural commodity production. The more developed a rural diversified economy with industry as its focal point, then the greater the shift of agricultural labor to industry and sideline occupations and, inevitably, the labor involved with agriculture will decrease, the management scale in agriculture will expand and management results will be greater. On the other hand, if a lot of labor is tied up in agriculture, its management scale will shrink and management results will decline. To adapt to this new situation where a diversified rural economy that has industry as its focal point is vigorously developing, we should now relatively concentrate contracted farmland in a positive and safe manner, create an appropriate commodity grain production scale and raise the economic results. This is not only needed for large-scale commodity production but it is also needed for the development of commodity grain production itself.

This article probes the question of relatively concentrating grain farmland in light of our city's specific circumstances.

1. The Objective Inevitability of Relatively Concentrating Grain Farmland

Our city is bounded on the north by the Chang Jiang and bordered on the south by the Tai Hu. It has fertile soil, abundant water, well developed communication and has traditionally been called "the land of fish and rice." Grain production consists primarily of paddy rice and corn and per-unit area yield has historically been fairly high.

Since 1981, grain production in Jiangyin, Wuxi and Yixing counties under our municipality and the suburban area has generally adopted the method of "dividing ration grain fields by the number of people, dividing

responsibility fields by the number of laborers and dividing feed grain fields by the number of hogs" (abbreviated below as the "three-field system" or the "two-field system") and implemented the family responsibility system tying pay to production. This kind of responsibility system tying pay to production mobilized the enthusiasm of the peasants for planting grain, liberated much surplus labor and allowed the swift development of a diversified economy whose focal point was rural industry. And yet a good number of new circumstances and new problems appeared along with it:

One is that after fields were equally divided by the number of people and the number of laborers, the management scale for grain production diminished and the management results declined, relatively. In our municipality, the amount of rural grain fields per capita is only 0.85 mu, and calculating at about one-half mu of ration grain fields for each person in the countryside, and dividing the remaining commodity grain fields by the number of laborers engaged in agriculture, there is an average of only just a little over 0.9 mu of fields for each laborer. Dividing the land equally by the number of people or the number of laborers has resulted in the creation of a majority of households "in both industry and agriculture," and households "in both sideline occupations and agriculture," grain production has become supplemental production, income from growing grain has become supplemental income and the idea of growing grain has become weak. Peasants report that households now engaged in industry that contract fields are "eating rice and adding a chunk of meat," while the reduced income of solely agricultural households who have planted less land is "changing from eating rice to eating gruel." In the first 2 years, due to the adjustments of the "double 3 system" and the implementation of the responsibility system, the economic results from growing grain were quite obvious. But once the potential of the suddenly adjusted "double 3 system" and the responsibility system had been exploited, the problem of low economic results from growing grain became more conspicuous with every passing day.

Second is that because the scale of management shrank after grain fields were dispersed and contracted, grain production had a difficult time shaking off the production structure of traditional agriculture. With several households farming one unit of land, the crop variety and rotation of crops are different, and it is very difficult to fill in the gaps to complete a chain of agricultural machinery, water and agronomy. Not only is it difficult to give full play to the former basic agricultural equipment, but it is very difficult to be thorough in preproduction, production and postproduction. Because the scale of farming is small and the results low, the farmers themselves show no interest in extending the land contract period, increasing investment in the land or using modern S&I. This naturally delays the progress of the transformation of traditional agricultural to modern agriculture and it is unfavorable for raising agricultural productivity, land productivity and the grain commodity rate.

Third is with the vigorous development of a diversified economy that has rural industry as its focal point, more and more rural labor is shifting to industrial and sideline production and a good many of the laborers

who have "left the land" have asked to transfer possession of their contracted fields in order to devote themselves completely to the pursuit of other occupations, but there are precious few to take on the contracts. If this continues, then it will certainly affect the development of social division of labor and division of occupations and will harm large-scale commodity production.

To sum up, the relative concentration of responsibility fields and the creation of an appropriate scale for commodity grain production is the inevitable trend in the development of the rural economy and of social progress. It not only has a bearing on grain production itself but also affects shifts in rural labor and the development of the social division of labor and the division of occupations. To speed up the process of transforming self-sufficient and semi-self-sufficient economies to a modern economy and of traditional agricultural to a modern agriculture, we must lead the peasants along the path of farming on a scale appropriate to commodity grain production in a positive and safe manner.

2. The Possibility for Farming on a Scale Appropriate to Commodity Grain Production

To seek a way to develop the responsibility system in commodity grain production, in the past few years the grassroots cadres in the countryside of our area have created many new forms in the process of perfecting the responsibility system for commodity grain production, and these can be summarized as the following three types:

One is "agriculture and industry as an integrated whole." Most of this form was extended after the implementation of the production responsibility system and the implementation of "plant managed agriculture." The general method of "agriculture and industry as an integrated whole" is to bring key commodity grain households into village-managed enterprises, using 3 mu or more of responsibility fields as a standard for accepting one laborer as a plant member, and with unified accounting for the agricultural and industrial income and expenditures. The specific method of Xinxu Village in Jiangyin County's Huangtang Township is to take into the enterprise 16 households which have turned in a stipulated 3,000 jin or more of commodity grain to regard them as employees of the enterprise and to carry out unified accounting of the agricultural and industrial economies. For an annual per-mu yield of 1,300 jin of commodity grain, the enterprise pays 80 yuan in expenses, 12 yuan in agricultural tax and 160 yuan for wages; that portion of firewood and grain which is over the quota and the saved capital is theirs to keep, and reduced production which exceeds costs is also their responsibility; the income from commodity grain which is sold and supplemental grain from the commune is income for the enterprise; and the enterprise bears the responsibility for paying the production brigade 8 yuan per mu for the accumulation fund and the public welfare fund. The village-managed enterprise of Xinxu Village set up an agricultural shop, and apart from the 16 commodity grain households that it took in, it separately set up 4 service lines for tractor plowing, plant protection, water management and agricultural technology,

using a total of 40 people; internally, the shop implements the responsibility system and division of labor and it does not eat from the "iron rice bowl." The overall practice can be summarized in four expressions: "Everyone is responsible for his own production task, basic remuneration is based on work, everyone succeeds by surpassing the production quota and being rewarded, and all receive the same social welfare treatment." Most people praise the form of "agriculture and industry integrated into a whole," but there are also some people who call it into question. The point at issue is that if the wages for agricultural workers are paid before taxes, it will increase the state's burden. We feel they should use "flexible account books." For example, according to the standard accounting of Hongqi Township, the annual wage paid to each agricultural worker is 600 yuan, and calculating on an eight-stage progressive tax, when wages are paid before taxes, the state will take in 330 yuan less in income tax; but because agricultural income and costs are included in the enterprise accounts, the state can also tax them for industrial and commercial taxes and for income taxes. Calculating at a per-mu output value of 240 yuan to the state in industrial and commercial taxes and income taxes. The two offset each other and the state actually takes in only 63 yuan less in taxes. This is one accounting way to look at it. Another accounting way to look at it is that for each agricultural worker that the enterprise takes in, the enterprise can shift 1.4 laborers from the commodity grain fields, and calculating that each industrial worker creates 7,600 of output value annually and 1,800 yuan of profit, they can increase state tax income by 1,390 yuan. And so viewing "agriculture and industry as an integrate whole" with an eye on development, it benefits the state, the collective and the individual.

Second is specialized commodity grain households. Most of these households are "large households farming the land" that were naturally formed when responsibility fields were first carved out, but there are also a few that were intentionally put together by the leadership. There are nearly 20,000 of the former kind of household in Yixing County where industry is inadequately developed, making up 8 percent of total peasant households. Because they lack industrial economic support, this segment of households will be able to go along a primarily agricultural route, using sideline occupations to nurture agriculture. That is, at the same time that they contract grain fields, they will combine this with fish ponds and dry fields, and so benefit the integration of farming and rearing, comprehensive utilization and a benign cycle, and will constantly raise social, economic and ecological benefits. The later group has appeared in Wuxi and Jiangyin counties which are fairly well-developed industrially. For example, in March of this year Rongnan Village in Wuxi County's Yuqi Township concentrated and contracted out all of its 529 mu of responsibility land to 80 laborers in 60 households to cultivate. The peasant households of the village growing commodity grain fell from the original 68.2 percent of total households down to 12.1 percent, and the labor growing commodity grain fell from the former 45.4 percent of total laborers to 8 percent; the area of land contracted per laborer for commodity grain increased from 1.36 mu to 7.2 mu; and the amount of commodity grain supplied per laborer increased from 1,700 jin to over 19,000. At one stroke, they changed a

situation whereby in the past 454 laborers produced 660,000 jin of commodity grain. Calculating the contracted yield, these 60 commodity grain households had a net income from commodity grain of 99,608 yuan, and adding 52,900 yuan from the township and village **SUBSIDY GRAIN FUNDS**, the total income was 152,508 yuan and the per capita income for the 80 laborers was 1,906 yuan, and if we calculate at 320 work days per laborers, then the annual income was about 1,400 yuan, which exceeded the income of commune members engaged in industry. After they transferred possession of responsibility fields in Rongnan Village, the over 400 laborers who vacated the land were all taken cared for and contracted out mulberry fields, melon and vegetable fields, fish ponds, mushrooms, etc., as well as other projects like raising bees, transportation, and small group industries, and they estimate that their total income will reach 312,641 yuan.

Third is the small family farm. The fourth-person household of Shao Caixing in the Dongqun Fourth production brigade of Wuxi County's Dongjiang Township are all laborers, with two in industry and two in agriculture who contract 23.78 mu of grainland. During the busy season the whole family pitches in, and during the slack session the husband and wife manage. They have broken out of the bounds of traditional agriculture and are imbued with modern agriculture through planning a commune agricultural service company which uses chemical and mechanical farming methods. Aside from the transplanting of seedlings which still does not have machinery to solve the problem, they would use chemical agents for weeding, have a complete conveyance system for draining out the "three darks"; use the late tilling method for intertilling; use a combine machine for harvesting and threshing; and also use agricultural insurance. That is, in good years, the farmer gives 30 percent of the portion beyond the production quota to the company, and then when they have a bad year, the company repays them 70 percent of the portion that they are short at the negotiated price. According to the planned program of the agricultural service company, they expect a per-mu yield of 1,350 jin, with 900 jin of paddy rice and 450 jin of wheat; for each mu, they turn in 1,200 jin of commodity grain to the state; they use an average of 12-man-days per mu annually and the total labor used in a year is not even 280 man-days or only one-fourth that of ordinary farming. Actually, last year this household used only mechanical sowing for the autumn sowing, and by the Spring Festival, they had used only 6.7 hours of labor per mu. The costs per mu for this family were 126.88 yuan and of this, expenditures for material consumption (seeds, chemical fertilizer, agricultural chemicals) constituted 55 percent; service expenses (tractor plowing, tractor sowing, water and electricity, transportation) made up 21.12 percent; payment of the "five hand-ins" (agricultural taxes, the accumulation fund and the welfare fund) accounted for 18.92 percent and other expenses were 4.96 percent. Income per mu was 310.61 yuan and of this, income from commodity grain sold was 79.3 percent, self-sufficient type income was 9.1 percent, subsidy income from the three township and brigade levels (per-mu subsidy was 20 yuan from the production brigade, and 8 yuan each from the township and village) was 11.59 percent. If they can reach the forecast results stipulated in the contract, then this household's total income would be

7,386.3 yuan, and deducting 3,017.2 yuan for costs, they can earn a net income of 4,369.11 yuan, which can be converted into a unit price of 15.83 yuan per man-day. The net income is 59.15 percent of the total income. In 1 year the Shao Caixing household turned in 27,242 jin of commodity grain to the state and retained 4,860 jin for its own use. Shao Caixing has gained experience through the preliminary trials in last fall and he has now requested that his contracted fields be expanded to close to 40 mu.

The three different forms described above share the common characteristics of moving toward an expanded scale of farming, raising farming results, speeding up the specialization and socialization of commodity grain production, seeking the unification and integration of social, economic and ecological benefits, and achieving higher labor productivity, land productivity and grain commodity rates.

However, regardless of which form, the formation and development of all generally require three conditions: first, you must develop a knack for production and constantly strengthen your capacity for absorbing excess labor; second, you must energetically develop industrial and sideline production and constantly strengthen the capacity of the cooperative economy; and third, you must strengthen the agricultural service system and constantly strengthen its capacity for preproduction, during production and postproduction service. And so in our measures for reforming and perfecting the commodity grain responsibility system, we must neither be too hasty nor miss opportunities, but must be sure to guide our actions adroitly according to the circumstances and achieve success when conditions are ripe.

3. Developmental Prospects for the Commodity Grain Responsibility System

At present, the rapid development and expansion of our municipality's villages and town industrial economy has already become a major pillar of our municipality's rural economy, a primary source of peasant income and an important economic lever for the harmonious development of various rural occupations. It supplies dependable funds and material guarantees for transforming the conditions of agricultural production, equipping agriculture with modern technology. Supported by a strong rural industrial economy, our farming system for grain production is quite capable of depending on the village and township industrial economy, being based on farming by specialized households, being centered on seeking benefits of scale and with agriculture and industry each depending on the other and with each having a division of labor. Specifically, with the expansion of village and town industry and the higher level of agricultural equipment and with most peasant households retaining ration grain fields, approximately 1 million mu of commodity grain fields and a minority of ration grain fields are gradually being shifted into the hands of about 5 percent of peasant households, and about 6 to 8 percent of total rural labor is exclusively engaged in commodity grain production. The town and village industrial economy will be able to supply these peasant households with systematic social services and with economic support that includes social

insurance and subsidies. At that time, agriculture will be one branch of town and village enterprise coexisting with town and village industry, and commune members engaged in agricultural will appear on the rural economic scene who have the appearance of agricultural workers and who enjoy the same social position and economic treatment as those engaged in industry.

The starting point for realizing this prospect is first to relatively concentrate responsibility fields and create specialized commodity grain production households of suitable scale. This is an inevitable result of the development of productive forces. We can neither artificially concentrate land in excess of the level of productive forces nor can we miss good opportunities where objective conditions are ripe. Seen from our situation, if we wish to concentrate commodity grain fields in the hands of about 5 percent of peasant households, we must have the three conditions: 1) large numbers of rural labor shifting to nonfarm activities; 2) the animate labor of commune members engaged in agriculture should have appropriate compensation; and 3) agricultural production services centered on preproduction, during production and postproduction should be greatly strengthened. As of the present, there are only a few rural areas where conditions are ripe, while the majority of rural areas are still in the process of creating proper conditions. Consequently, in the steps we take, we must implement the principles of suiting measures to local conditions and active guidance. Moreover, we must steadily make increasing overall agricultural economic results our central task, make changing production conditions our focal point, and with a foundation of creating a suitable scale for farming, bring about the gradual integration of economic, social and ecological results, constantly raise the level of intensive agriculture and raise the productivity of the land and of labor.

In order to hasten commodity grain production along the path of specialization, we must conscientiously resolve the following several policy questions: 1) We must increase agricultural investments by the state, collectives and individuals and rapidly increase the level of agricultural intensification. Our municipality has many people, little land and developed town and village enterprises, and the intensification of farming is of course based on intensive fund collecting. With state finances in fairly straitened circumstances, we can raise funds from three quarters: the state bank and the local public finance at various levels can give appropriate aid and loans with low or no interest; we can encourage peasants to increase their investments in the land; and we can gradually adjust the distribution proportions for the funds paid to peasants by town and village enterprises, put the emphasis of funding on changing the conditions of agricultural production and strengthening the agricultural service system. 2) Actively encourage various specialized organs for agricultural service to set up industries and businesses, and to develop and expand themselves so as to serve the peasants by supplying high quality at a low price. 3) Lower the grain procurement base figure and reduce the pressure on town and village enterprises to supply agricultural funds. Our municipality belongs to an old commodity grain base, and state purchase grain was over 60 percent of the entire contracted purchase task. Of that

amount, Jiangyin County accounted for as much as 76 percent. For a long time now, because of grain price and value deviations, each year the municipality has had to take large amounts of funds for subsidy grain from the profits of town and village enterprises in order to guarantee the completion of the state task and the peasants' income. Now, the state is implementing an eight-grade progressive tax, has increased the public finance income and not only should but is able to reduce the old Procurement figure for the commodity grain base. 4) Do a good job moderately adjusting industrial subsidies for agriculture. With grain prices deviating from value, it is absolutely necessary for the profits of town and village enterprises to subsidize grain prices. But with regard to the subsidies, there is a question of appropriate degree. Viewed from the practical experience of some areas, an excessive subsidy not only is it not beneficial for concentrating commodity grain fields, but on the contrary, it can promote dispersion. A suitable subsidy would be the difference in price between the subsidy and excess state procurement (including part of the village internal adjustment grain). 5) Change the methods of the state and peasants in settling accounts for grain. If grain contract purchase tasks do not change for a set 5-year period, then peasants should uniformly settle all accounts for the 5 years if they should complete the 5-year task in 4 years. In the fifth year, permit the peasants to adjust the crop variety distribution to help them rotate crops, nourish soil fertility and also increase their income a bit on their limited cultivated land. 6) Strengthen the investment of knowledge in agriculture. The state and collective must both adopt measures and strengthen agricultural scientific research, the training of talent in agriculture and the work of spreading agricultural technology, and so change agriculture's technological backwardness as quickly as possible. Give the necessary preferential treatment to various sorts of personnel who aspire to agricultural work and raise their economic, political and social treatment in order to solve the problem of there being no successors to carry on agricultural production and management.

12452

CSO: 4007/63

JILIN

GOVERNMENT TO DEVELOP CHANGBAI MOUNTAIN REGION

OW271320 Beijing XINHUA in English 0847 GMT 27 Apr 85

[Text] Changchun, 27 Apr (XINHUA)--Jilin Province's Changbai Mountain Region, with a wealth of forests and mineral resources, will be developed into a unique economic zone by the turn of the century, local authorities said.

Development of the zone will call for domestic and foreign cooperation, said Chinese Communist Party General Secretary Hu Yaobang during his recent inspection tour of the area.

Covering about 94,600 square kilometers, half of the province's total area, the zone will concentrate on forestry, exploitation and protection of animals and plants of economic value, mining, hydropower, coal and tourism while maintaining intact the ecological environment, according to local authorities.

In the early stages, efforts will be concentrated on the medicine industry, based mainly on local ginseng and deer antlers, and rare herbs, and the construction of a winery using as materials wild amur grapes to produce wine for export.

The province signed an agreement with the Chinese Academy of Sciences recently to cooperate in development of the area.

Scientists and managerial specialists from research institutes and colleges helped the area conduct research on tapping its resources last year.

The mountainous area is one of China's major timber producers. Also, there are rich deposits of minerals such as gold, nickel and diatomite.

Besides, thermal springs and spectacular scenery make the region ideal for the development of tourism.

CSO: 4007/338

JILIN

BRIEFS

1985 SOWING ACREAGE--As of 2 May, Jilin Province basically concluded its sowing operation on dry farmland and had sowed more than 50 million mu of grain, beans, and cash crops, accounting for more than 85 percent of the total acreage to be sown this year. On this sown acreage for 1985, the province scored an 8-percent increase in cash crops, a 20-percent increase in rice crop, and a 4-percent increase in soybean crop. [Excerpts] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 3 May 85 SK]

CSO: 4007/338

LIAONING

BRIEFS

AFFORESTATION CAMPAIGN--Afforestation is being vigorously carried out in Liaoning Province. As of 10 April, it had afforested 208,900 mu. Some 2.34 million trees were planted on a voluntary basis and 5.8 million trees were planted around houses and along rivers, roads, and ditches. More than 2.67 million people participated in the tree-planting activities. [Summary] [Shenyang LIAONING RIBAO in Chinese 12 Apr 85 p 1 SK]

CSO: 4007/338

NEI MONGGOL

BRIEFS

TRACTOR PRODUCTION--The production and supply situation of agricultural and pastoral machinery departments in Nei Monggol Region have become better and better. The number of tractors for agricultural and pastoral uses in the region has reached 100,000, 25,000 more than in 1983. The number of wind-driven generators used by pastoral areas has surpassed 7,000. In January and February of this year, 250 large and medium-sized tractors and 3,000 small-capacity tractors were sold to rural and pastoral areas. In 1984, the total sales volume of agricultural machines in rural and pastoral areas was 240 million yuan. In the first 2 months of this year, the region netted 1.05 million yuan in profits from selling agricultural and pastoral machinery. [Summary]
[Hohhot NEIMENGGU RIBAO in Chinese 11 Apr 85 p 2 SK]

CSO: 4007/330

NINGXIA

NINGXIA POLICY ON ECONOMIC REFORM IN RURAL AREAS

HK250421 Yinchuan NINGXIA RIBAO in Chinese 5 Apr 85 p 1

["Ten-Point Policy of the Regional CPC Committee and Government on Implementing Central Document No 1"]

[Text] On 26 February 1985, the regional CPC committee and regional people's government formulated the "Ten-Point of the Regional CPC Committee and Government on Implementing Central: Document No 1" in order to further reform the rural economic management structure, expand market regulation, push forward the rationalization of the rural production setup, and further invigorate the rural economy under the guidance of the state plan. The 10 points are:

1. Reform the system of state monopoly and assigned purchase of agricultural products.

From this year on, the system of state monopoly purchase of grain should be replaced by the system of contract purchase of grain. The contracted paddy rice, wheat, and maize are to be purchased according to a "reverse 30:70" ratio (that is, 30 percent will be purchased according to the original state monopoly purchasing price and 70 percent will be purchased according to the original above-norm purchasing price). Grain which is not produced to order can be sold freely on the market. If the market grain price is lower than the original state grain purchasing price, the state will purchase as much grain as possible according to the original purchasing price.

Oil crops (excluding seeds) are to be purchased according to a "reverse 40:60" ratio (that, 40 percent will be purchased according to the original state purchasing price and 60 percent will be purchased according to the original above-norm purchasing price). The state will purchase as much oil crops as possible. In order to encourage flax production, flax can be purchased at a higher price, while flower seeds, rue seeds and sunflower seeds can be purchased at a lower price.

The system of assigned purchase of live pigs and freshwater fish should be abolished. The prices of live pigs and freshwater fish can be negotiated by the buyers and sellers. The system of assigned purchase of sheep's wool and hide should also be abolished. The contracts can be signed and the purchasing

prices can be negotiated directly between the factories and herdsmen. The factories and herdsmen can also jointly operate the production. The supply and marketing cooperatives can be responsible for purchasing the sheep's wool and hide.

If honey output exceeds demand, the supply and marketing cooperatives and the departments of external trade should purchase honey at the lowest protected price and the state finance should provide interest-bearing loans to the bee farms.

After abolishing the system of monopoly purchase and assigned purchase, the system of awarding grain and materials to the people who sell oil crops, live pigs, eggs, the fruit of Chinese wolfberry and various other Chinese medicinal herbs, local products, and products of animal husbandry should in turn be abolished. The price of the grain supplied to vegetable growers should be negotiated and the par price should be abolished.

In order to meet the market needs, we must extensively implement the system of contract purchase of agricultural products after comprehensively applying the various methods of economic coordination in agricultural production. We should also encourage the peasants to set up associations of specialized producers and other similar organizations of a mass character so that they can hold "talks" with the purchasing departments. In order to encourage the peasants to go to the cities to sell their various agricultural products, the cities and towns should provide good trading markets, warehouses, wholesale markets, and trading centres for agricultural products. The state commerce, external trade, and supply and marketing cooperatives should also try to find a good sale for agricultural products and participate in market regulation.

2. Readjust the rural production setup.

The areas around the rivers and lakes must resolutely implement the policy of vigorously developing grain production and diversifying the economy. The mountainous areas should plant more grass and trees, and develop animal husbandry and diversified economy. Both the areas around the rivers and lakes and the mountainous areas should try to raise the proportion of forestry, animal husbandry, sideline occupations, fishery, industry, commerce, transport, construction, service trades and so on and so forth in the total social output value of the rural areas.

We must readjust the overall arrangement of crops and further rationalize the internal structure of crop production. We should develop our grain production in the direction of better quality, high efficiency, and intensive farming. Products of good quality should be sold at high prices. Different products should be sold at different prices. We should develop our grain production according to the needs of the market and grain exports. With a rationalized overall arrangement of crop production, the peasants should be encouraged to make the best use of their land. The expansion of the market requires us to greatly increase the production of industrial crops and forest trees. If the grain growing area is reduced because of the growing of industrial crops and forest trees, then a substitute agricultural tax can be paid.

We must greatly develop forage industry and food industry and carry out grain conversion and comprehensive utilization. In order to push forward the development of animal husbandry, we should develop the specialized households, specialized big households, and specialized villages for raising livestock in the rural areas and in the suburbs of the cities. We should advocate this method of breeding and herding livestock in the pastoral and mountainous areas and raising and fattening livestock in the rural areas. From this year, no tax will be levied in animal husbandry in the whole region for 5 years. The regional people's government decides to sell part of the grain at the original monopoly purchasing price (the finance departments will be responsible for the expenses) to the livestock raising households, state livestock raising farms, forage processing factories, food processing factories and so on in order to develop animal husbandry, the aquatic products industry, and other industries. The mountainous areas can sell their products on credit and get back their money within a certain period of time according to the contract.

We should greatly develop the town and township enterprises, especially the high-speed and efficient household industries and enterprises jointly run by peasants. The agricultural and sideline products must be processed in the rural areas so that the peasants will thereby benefit. Rough machining, production carried out by individual producers, and production carried out by concentrated labour can best be carried out by the cooperative economic organizations and specialized households. The old and new processing enterprises of agricultural and sideline products should cooperate with the producing areas and be gradually transferred to the producing areas. We should actively encourage the peasants to mine coal, gypsum, quartz, and various other resources according to the relevant mining regulations and laws. The relevant departments and state mining enterprises must support the peasants in doing.

We should carry out the construction of the small towns and implement the relevant regulation of the State Council on allowing the peasants to open shops, build small factories, and work and trade in the cities and towns. We must also pay attention to and support the development of commerce, service trades, transport, and consultative services in the rural areas.

3. Further relax the policy towards the mountainous areas.

The grasslands and grass slopes had best be distributed among individual households. The individual households should be allowed to use them for a long time and to inherit or transfer them for payment.

We should also encourage the development of courtyard economy. Under a unified plan, the courtyards of the peasants can be reasonably extended according to the specific situations in various counties.

The workers and peasants should be allowed to breed fish in reservoirs under a contract system. The profits will be shared in proportion between the state and the workers and peasants. Peasants should be allowed to operate motor-pumped wells, pumps, and other water conservancy facilities under a contract system or by paying rent. These water conservancy facilities can also be sold to the peasants.

Apart from liquorice root which the medical departments at the grassroots level buy at a negotiated price according to the regulations of the state, all Chinese medicinal herbs can be freely bought and sold on the market without any restrictions.

We should open the timber market in the collective forest regions and allow the timber produced by the peasants and collectives to be freely sold and bought at negotiated prices on the market. The "living timber" can also be sold. Tree-felling should be approved by the government according to the law. Reckless tree-felling is strictly banned.

Construction companies, coal enterprises, and other newly-established enterprises should give preference to the peasants from the poor mountainous areas when employing contract workers.

4. Actively develop transport undertakings.

The state, collectives, and individuals should develop transport undertakings. Apart from the major projects which are built by the state, we should adopt the principle of carrying out construction under a unified plan and multi-level management. We should also adopt the principle that the state should help the people to carry out the construction work, and the people who build the projects should be responsible for the projects and be able to benefit from them. The mountainous areas should make proper use of the grain, cotton, and cloth provided by the state as a reward to the people who build highways. The mountainous areas should not indiscriminately transfer and uniformly distribute the grain, cotton, and cloth provided by the state without payment or as relief products. The grain, cotton and cloth provided by the state should not be diverted to any other purpose or resold to the state, either.

When approved by the county government the peasants can collect money to build highways and bridges. The peasants can also charge tolls according to the standard set by the transport department, otherwise the transport department should be responsible for collecting all the tolls and paying the investment by installments. People who donate money to build the highways and bridges can have their names engraved on the monuments set up at the end of the highways or bridges.

5. Encourage urban technology and qualified personnel to serve the rural areas.

The cities should bring into full play their strong points and provide the rural areas with technology, qualified personnel, and funds to develop various economic combines. When approved by their own units, the workers and scientific and technological personnel can go to work in the rural areas to earn better salaries while retaining unpaid their working positions in their original units. Their length of service will continue to be counted while they work in the rural areas. Apart from cadres of party and government organs, all the scientific and technological personnel who are qualified can find a part-time job or work in their spare time for the rural areas and get their pay according to the contract,

on condition that their own work is not affected. The scientific research institutes, universities, colleges, and urban enterprises can receive certain rewards if they carry out scientific research for the rural areas, transfer the fruits of technology, and provide technological consultative services to the rural areas. If they have formed integrated economic combines, they should be jointly responsible for the losses or profits.

6. Open the region to the outside world and increase imports.

We should implement a preferential policy in importing technology, capital, and qualified personnel through various channels and forms.

The enterprises belonging to other provinces or the joint ventures in the rural areas of our region can enjoy preferential treatment when they pay the town and township enterprises' tax of our region.

We should develop joint ventures, encourage cooperation with other provinces, and establish trade centers which can serve as a window in the economically advanced areas. The users should be allowed to pay reasonable rewards to the collectives and individuals who supply them with the economic and technical information, according to the economic results the information has helped to produce.

The various kinds of scientific and technological personnel who come to our region to work in the areas at or below the county level can have their unmarried children, parents and spouses "transferred from agriculture" to other occupations without quota restrictions, if approved by the county government.

7. Greatly develop professional and technical education in the rural areas.

The counties, townships (towns) and villages should run schools. We should also encourage and support social groups and individuals to run various types of schools. The relevant universities, colleges, and polytechnics should run various types of short-term professional training classes to train qualified scientific and technological personnel for the town and township enterprises, specialized households, and rural areas. We should pay special attention to training personnel qualified in livestock-raising industry, processing industry, and construction materials. Each year, every county must start one or two new professional or technical schools.

8. Relax the fiscal policy towards the rural areas.

The credit cooperatives must carry out independent operation and be responsible for their own profits and losses. The credit cooperatives must hand over to the agricultural banks the funds to be deposited in advance for future withdrawals according to the regulations. The more funds the credit cooperatives have in the banks, the more money they can borrow. Besides granting loans to the rural areas, the credit cooperatives can carry out rural industrial and commercial credit business, and receive deposits from and grant loans to other provinces. The deposit interest rate will fluctuate by 20 percent within the range of the deposit interest rate paid by the state banks. When granting loans, the agricultural banks and credit cooperatives should give preferential treatment to developmental production, forage industry, food industry, small-scale

cement production, small-scale water and electricity projects, and the technological transformation of the town and township enterprises.

We should raise capital through various channels and forms, provide support and guidance and formulate the necessary management methods for the various kinds of credit businesses among the people in the rural areas, and ensure that these various kinds of credit businesses will develop well. By observing the relevant state financial policy, the rural cooperative economic organizations will be allowed to use their own funds to carry out credit businesses among the people after being approved by the higher authorities.

At present if the mountainous areas still cannot pay back the loans they borrowed before 1978, they can apply for postponement. Part of the loans paid back by the areas around the rivers and lakes will be used as low-interest loans by the agricultural banks of the autonomous region.

9. Greatly develop and perfect the rural cooperative system.

We must continue to perfect the land contract system and the responsibility system in industry, animal husbandry, aquatic products industry, and town and township enterprises. The collectives can sell their livestock and sheep to individual households. We must also carry out reform of the state farms, forestry centers, pasturelands and fishing grounds, implement the family-based contract system among the workers and staff members, and form joint operations with local peasants.

We should encourage and develop cooperative economic forms, such as operations on a partnership basis with dividends distributed among the shareholders. Such operations should not be restricted by their locations and ownership. Capital, resources, equipment, and the labor embodied in the capital construction can become shares. Part of the profits produced by the operations will be distributed among the shareholders. Peasants should be allowed to become shareholders by investing their contracted land so that they will be able to carry out farming on a collective scale and achieve greater economic results. The small towns should be allowed to organize cooperative economic organizations in the rural areas. These cooperative economic organizations can take part in the construction of the small towns by investing their land, and they will share the profits.

The cooperative economic organizations in the rural areas should usually be established at the village level. They should be responsible for taking care of the contracted land and the operation of the enterprises which formerly belonged to the production brigades or production teams. They should do a good job in providing services like machinery, water conservancy, crop protection, management, operations, and so on. They should also help the poor to become rich. The production teams can be abolished with the approval of the masses. The economic organizations at the village level will replace the production teams and take charge of management and services.

10. Strengthen the administration of the county government and its ability to coordinate the economy.

From this year on, we will implement the financial system of "distinguishing the categories of taxes, checking and ratifying revenue and expenditure, and contracting responsibility at different levels." This financial system will not be changed within 5 years. The cities and counties whose revenue exceeds expenditure must adopt the method of distinguishing the categories of taxes, fixing the revenue and expenditure, linking the revenue with the expenditure, and distributing the total revenue in fixed proportions. As for the cities and counties whose expenditure exceeds revenue, they will be subsidized by the regional government. The regional government subsidies will be increased by 10 percent every year. In principle, the funds provided by the state for the development of the cities and counties are to be checked and ratified at the beginning of each year, and are to be divided and then distributed to the various cities and counties. The [words indistinct] be given the power to make their decisions and use the funds according to their own conditions. We must delegate some of the powers of reducing or remitting tax revenue to the rural areas so as to bring into full play the role of tax revenue as an economic lever, and gradually establish township finance.

Under the guidance of the relevant departments, the counties can directly ask enterprises which are allowed to do external trade to do the import and export work.

Under the premise of not breaking through the overall government and administrative structures, new departments can be established in the county governments without restrictions. Owing to the different natural conditions and economic situations in the various areas, in the reform of the economic structure, if possible, all the county governments should dare to proceed from the actual conditions and adopt special measures which are beneficial to the economic development.

The regional CPC committee and people's government have pointed out that the implementation of all the policies and regulations issued by the party organizations and government departments in the region must be immediately stopped if they do not conform with the spirit of Document No 1 of the CPC Central Committee.

CSO: 4007/338

QINGHAI

QINGHAI CALLS FOR GREATER EFFORTS IN GROWING TREES, GRASS

HK080325 Xining Qinghai Provincial Service in Mandarin 1100 GMT 7 May 85

[Excerpts] The provincial people's government held a telephone conference last night calling on all localities to resolutely accomplish this year's tasks of growing trees and grass by making use of the present opportune moment. The conference was presided over by Vice Governor Yin Kesheng. Vice Governor Gabulong spoke at the conference.

On reviewing the latest developments in the province on growing trees and grass, Gabulong pointed out: The province's situation is very good in this respect, and this is the main trend. But our present problems are that the leaders of some localities are so unrealistically optimistic that they do not have a clear idea about the formidable nature of accomplishing the tasks. Some localities have accomplished the tasks with poor quality. Many state-run farms do not carry them out on a large scale; while pastoral areas do not attach enough importance to growing grass, so that they do not carry out the work in an active and practical way. Spring is the most important season for the province to grow trees. But the province has accomplished only 40 percent of this year's tasks of growing trees and grass. Therefore, under no circumstances can any locality slacken its mood in the work.

In his speech, Gabulong urged leaders at all levels to fully understand the importance and formidable nature of turning Qinghai green, and to strengthen their leadership over the work.

In his conclusion, Gabulong said: Now is the most opportune moment for us to turn Qinghai green. Governments at all levels must take a very active attitude adopt practical measures, and encourage everyone to resolutely accomplish this year's work of growing trees and grass.

CSO: 4007/338

QINGHAI

BRIEFS

UN AIDS IRRIGATION PROJECT--Xining, 7 May (XINHUA)--An irrigation project aided by the United Nations World Food Program to transform low-yielding fields was started in eastern Qinghai Province last Wednesday, the provincial government reported here today. When completed in 1989, it will benefit 8,000 hectares of farmland. It will plant 2.6 million trees along roads and reservoirs afforest 3,260 hectares of barren hills and build 263 kilometers of roads. The World Food Program will provide 95,000 tons of free wheat to subsidize the labor, according to a March agreement in Beijing between the United Nations and the Chinese Ministry of Agriculture, Animal Husbandry and Fisheries. Jane B. Brown of the World Food Program's Beijing office inspected Qinghai last month. [Text] [Beijing XINHUA in English 1558 GMT 7 May 85]

CSO: 4020/219

SHAANXI

GOVERNOR ATTENDS RURAL WORK MEETING

HK030245 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 1 May 85

[Text] [words indistinct] The provincial government convened yesterday afternoon a meeting of county governors and commissioners to assign tasks for the forthcoming period.

In his speech delivered at the meeting, Vice Governor Xu Shanlin said: At present, we must attach great importance to and strengthen the work of flood prevention, and make arrangements for the well-being of the masses. We should also really do a good job in spring farming and conscientiously grasp current production well.

On flood prevention, Xu Shanlin said: As the flood season is imminent, we must seriously grasp this year's flood prevention work. The specific requirements of this year's flood prevention work are: All flood prevention projects and areas must be capable of effectively fighting floods under normal conditions. There should not be any gaps in dykes in key and low-lying areas, and we must ensure that the urban areas will be safe during the flood season. We must keep the transport and communications links clear, prevent dykes from bursting, and guard against such dangers as landslides, mudslides, and floods.

Xu Shanlin stressed: All localities must make the best use of their time to fulfill the contracts for purchasing grain and cotton. They should do well in current tasks, and ensure that the whole procurement target will be fulfilled.

Governor Li Qingwei presided over the meeting and delivered a speech. He stressed: Amid the good situation, we must be sober-minded and bear in mind our lessons drawn from past experience. We must guard against such practices as acting indiscriminately and giving instructions without considering the actual conditions.

CSO: 4007/338

SHANDONG

BRIEFS

HOG PRODUCTION--In the first quarter of this year, hog production increased sustainedly in Shandong Province. By the end of March, the number of hogs in the province reached 17.5 million head, 2.21 million head more than the corresponding 1984 period, and a 15-percent increase. Of this, 1.29 million head, 7.4 percent of the total, were stud hogs, a 26-percent increase over the corresponding 1984 period. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Apr 85 SK]

CSO: 4007/338

SICHUAN

BARREN HILL AFFORESTATION MEASURES OUTLINED

Five Measures Recommended

Beijing NONGMIN RIBAO in Chinese 6 Mar 85 p 1

[Article: "Sichuan Proposes New Measures for Speeding Afforestation of Barren Hills in Response to New Conditions Arising from Adjustments to Rural Enterprise; Tri-level Responsibility System Set Up; Employment of Others To Assist in Afforestation of Privately Held and Responsibility Mountains Permitted; Rapid Growth and Dense Planting Modes of Operation Encouraged; Voluntary Capital Formation by the Masses for Nursery Businesses Supported"]

[Text] In order to further preserve and advance the new move toward afforestation, the Sichuan People's Government recently proposed new measures for speeding the pace of afforestation while setting forth this years forestry and afforestation tasks, in response to new conditions arising from adjustments to rural enterprise.

Last year Sichuan stuck conscientiously to the afforestation policies of the Politburo and State Council. They accelerated a series of directives for afforestation of barren hills and achieved major advances in forestry endeavors. Fifty-eight million mu of barren hills and shorelines were contracted out to households throughout the province, resulting in the appearance of over 500,000 specialized and priority forestry households. The area afforested that year was almost double the year before. Cultivation of commodity seedlings by the masses developed to over 370,000 mu. There also appeared a whole group of cadres enthusiastically devoted to forestry and advanced models of afforestation. There was the beginnings of another development at the same time: a segment of cadres and masses newly engaged in developing industrial, byproduct, transportation, and service industries turned its back on the economically less profitable afforestation industry.

In order to preserve and develop the move toward afforestation throughout the province, the People's Government recently decided to complete afforestation of barren mountains and slopes in 107 counties in the Sichuan basin this year and move toward filling in the gaps next year, while vigorously developing the buildup of fast-growing high-yield forests in the hills surrounding the basin. In order to attain this goal, and in response to the new situation in readjusting the rural enterprise structure, the following proposals were made:

(1) Turning responsibility for afforestation and grass-planting over to the county party secretary and head of the county government, allowing each county government to sign "Afforestation Responsibility Documents" and set up an afforestation responsibility system at the three levels of the county, the prefecture, and the village. (2) Permit farmers engaged in manufacturing or byproduct industries, transportation, and tertiary industries in rural townships to use such methods as work exchange or cash payments to get other people to plant trees for them in afforestation of privately held or responsibility mountains. (3) Encourage management of rapid-growth high-yield forests in appropriate locales, cutting down on regeneration periods for an early realization of economic results. (4) Encourage appropriate dense planting with periodic cutting and equal stress on large, medium, and small sized lumber to fill the various needs of society and bring regular income to the producer. (5) Continue to encourage and support the masses to engage voluntarily in capital formation for businesses in commodity seedlings, in an effort to see profits on investments in a single year.

At present, spring season afforestation work is underway. As of mid-February, over 1.8 million mu had already been planted, with quality higher than last year.

Commentary Promotes Afforestation

Beijing NONGMIN RIBAO in Chinese 6 Mar 85 p 1

[Commentary: "Take Advantage of This Opportunity To Make Afforestation a Success"]

[Text] At the present time, China's rural areas are in the midst of readjusting enterprise structures. This will help to develop welcome commodity production. One problem worthy of note is this: Some cadres and members of the masses are on the lookout for production avenues with quick profits and have overlooked or lost grasp of production projects with great benefits to society, which are suited to local conditions, but which have a long production cycle. For this very reason, some locales are beginning to overlook afforestation.

Priority development of tree and grass-planting in the readjustment of enterprise structures is something which has been emphasized again and again by leading cadres in the Politburo. If our work of guidance is well done, there will be a good chance for successful development of the forestry industry this time. If we overlook it through carelessness, settle for slogans and paperwork, this opportunity will be lost. Sichuan has taken an active role based on surveys and study to come up with a series of measures appropriate to the new situation. It is to be hoped that those comrades who are still uncertain and mindless and who still talk about the past will become involved in the villages, survey and study, come to understand the new situation as quickly as possible, summarize new experiences, and get actual control over the work of afforestation.

12303

CSO: 4007/295

SICHUAN

PEASANTS ENCOURAGED TO SIGN GRAIN, OIL CONTRACTS

HK011349 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 30 Apr 85

[Text] In view of the problems arising in signing grain and oil purchase contracts with peasants, relevant provincial departments have actively conducted propaganda work and taken measures to speed up the process.

By 25 April, about 12.26 million peasant households in the province had signed grain and oil purchase contracts, accounting for 61.3 percent of the total peasant households in the province. The relevant provincial departments have ordered purchase of 6.56 billion jin of grain by signing contracts, accounting for 61.9 percent of the annual target set by them.

The vast number of peasants are still actively signing grain and oil purchase contracts with relevant provincial departments.

Signing grain and oil purchase contracts is a new thing following the implementation of the spirit of this year's Central Document No 1, which involves thousands and thousands of peasant households. Peasants and rural grassroots cadres are not familiar with this and cannot distinguish between state monopoly purchase of grain and oil and the purchase of grain and oil by contracts. Fearing that they would suffer losses after signing grain and oil purchase contracts, some peasants are still watching the rise and fall of grain prices on the market and have not signed contracts even after stalling for a long time.

The provincial CPC committee and government have paid serious attention to the existing problems. Recently all localities have dispatched tens of thousands of party and government cadres and cadres in charge of grain and commercial work to rural areas and widely publicized the significance of signing grain and oil purchase contracts among peasants in order to dispel their worries, to seriously negotiate growing areas, and to sign purchase contracts for grain, oil crops, and other agricultural and sideline products.

While properly conducting propaganda work, the province has decided to put 400 million jin of grain on the market in places where the grain price is high and sell it at negotiated prices in order to lower grain prices there. It has also decided to give preferential treatment to the peasants who have signed grain and oil purchase contracts by giving them awards to buy fine-quality

chemical fertilizer and urea. The purchase money should be paid by grain departments as deposit money in purchasing the peasants' grain and oil. It has also stipulated that in counties which fail to fulfill the targets set in the purchase contracts, peasants are permitted to sell excessive grain in proportion to their contracts and are entitled to preferential treatment stipulated in the contracts.

CSO: 4007/338

XINJIANG

WOOL, MUTTON OUTPUT INCREASES NOTED

OW261341 Beijing XINHUA in English 0746 GMT 26 Apr 85

[Text] Urumqi, 26 Apr (XINHUA)--Mutton and wool output in the Xinjiang Uygur Autonomous Region has increased by 65.7 and 42.8 percent respectively over the past 5 years, the regional animal husbandry bureau reported here.

This was mainly due to the addition of imported and cross breeds of sheep. The sheep population grew by 23 percent over the same period, bureau officials said on Thursday.

Xinjiang, which has China's second-largest pasture cover, has more than 30 million sheep, including 8 million fine-wool breeds, and produced 27,000 tons of wool last year, one-third of China's total.

Output of meat, mainly mutton, soared by 185,000 tons last year--20.9 percent more than in 1983.

The region began importing fine-wool breeds of sheep in the early 1950's. Since 1979, the regional bureau has designated 29 counties, about one-third of its total, as fine-wool sheep-breeding centers.

They have set up artificial insemination stations, purchased instruments and apparatus and trained technical personnel.

As a result, the region's wool-processing industry has thrived, said officials. Its woolen goods are sold in other parts of China and abroad.

CSO: 4020/219

XIZANG

REPORT ON SURVEY OF SPECIALIZED HOUSEHOLDS

HK100319 Lhasa Xizang Regional Service in Mandarin 0000 GMT 9 May 85

[Excerpts] According to JINGJI CANKAO, there has appeared a new trend in the region's economic development. Formerly inaccessible and backward highlands have changed the natural economy pattern into a commodity economy pattern. Peasants and herdsmen have now realized the importance of information. Households which have become rich first are now making best use of the current conditions to obtain various information to guide their business operations.

According to a survey conducted among 200 specialized households in the region, 86 percent of them often listen to radio broadcasts and read newspapers; 22.5 percent of them subscribe to newspapers and magazines; 83 percent of them possess radio receivers; and 22 of them make frequent trips to the interior areas.

The previous lifestyle of being content with pork and buttered tea is now changing. Consumers' goods are now developing toward variety and superiority.

Of the 200 specialized households, 85 percent wish to improve their living conditions; 70 percent of them have bought recorders; 15 percent of them now possess television sets; and some of them have bought washing machines and sofas.

According to investigations, more than 97 percent of rich peasant households have become rich by developing diversified economy. Those engaged in unitary production account for only 3 percent. The main business operation types are: animal husbandry plus commerce plus transportation business; agriculture plus commerce plus handicraft industry; agriculture plus animal husbandry plus commerce plus transportation business.

CSO: 4007/338

YUNNAN

BRIEFS

PIG PRODUCTION—In the first quarter of this year, the output of pork in Yunnan Province reached some 353.8 million jin, which was 32 percent of the quota for this year and was some 30 percent more than in the same period last year. The number of pigs sold was 2.71 million head, which was 31 percent of the quota for this year and 26 percent more than in the corresponding period last year. The number of pigs on hand was some 15.86 million head, more than in the same period last year. Of the total number of pigs, some 1.43 million sows were capable of reproduction. By the end of the first quarter of this year, the whole province had had some 1,934,000 fat pigs on hand, which was 27 percent more than in the same period last year. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 3 May 85 HK]

CSO: 4007/338

ZHEJIANG

SCIENTIFIC RESEARCH BENEFITS FARMS

OW061339 Beijing XINHUA in English 1141 GMT 6 May 85

[Text] Hangzhou, 6 May (XINHUA)--Experts have been sent by the Zhejiang Academy of Agricultural Sciences to Gansu to help raise lean porkers on contract.

For the technique and the pig breeds, Gansu will pay 85,000 yuan to the academy which is in Hangzhou, capital of Zhejiang Province.

This was one of the results of a provincial technology fair held in mid-April.

Lean porkers raised with the technique provided by the academy proved to be good in quality. More than 90 percent of such pigs raised by a farm in Deqing County and sold in Hong Kong were rated first grade.

Transactions at the technology fair came to more than 5 million yuan, and some 10,000 pamphlets on farming and animal husbandry were sold.

The academy signed an agreement on cultivation of improved rice breeds with Jiangtang farm in Jinhua city earlier this year. The academy will do the technical work and the two partners will share the profits equally.

Chinese gooseberry, loquat, citrus and other fruit trees are to be grown by the academy in a 13-hectare orchard in Yuhang County near Hangzhou, on a 30-year contract starting this year. The academy is to give the local government 100,000 yuan under the contract.

Other projects started with the help of the academy include poultry farming and vegetable growing in Zhejiang, Jiangxi, and Shanghai.

Officials said opening the technology fair has enabled many research institutions to sell their latest research results.

About 2,400 new techniques of cultivation, breeding, processing, and packing, as well as new equipment, materials and products, were offered at the fair attended by 20,000 people from all over China.

These directly meet the needs of users and thus combine research with production, the officials said.

ZHEJIANG

PROVISIONS FOR SPECIALIZED HOUSEHOLDS NOTED

OW020831 Hangzhou ZHEJIANG RIBAO in Chinese 21 Mar 85 p 4

["Interim Provisions of Zhejiang Province for Protecting Legal Rights and Interests of Rural Specialized Households (Adopted by the 12th Meeting of the 6th Zhejiang Provincial People's Congress Standing Committee on 20 March 1985)"]--ZHEJIANG RIBAO headline]

[Text] Under the guidance of the line, principles and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, specialized households, which emerged in the course of reform of the economic structure in Zhejiang's rural area, are taking the lead in working hard to develop commodity production and become well-off. They are playing an important role and are of far-reaching significance in changing the structure of rural production and the labor force, promoting changes in the rural economy to specialization, large-scale commodity production, and modernization, and building a new socialist countryside with Chinese characteristics. The following provisions are formulated to protect the legal rights and interests of rural specialized households regarding their production and operation:

1. Rural specialized households are production and business units, with commodity production and sales as their main purpose, and with family production and operation as their main function.
2. Collectively-owned property used by rural specialized households on contract, and the property and legitimate income of rural specialized households, are protected by law, and are not to be infringed upon by any units or individuals.
3. Rural specialized households may, within the limits of the law and policies, decide the items, way, and scale of their production and operation, according to their capability. They may engage in crop cultivation, aquaculture, fishing, farm produce processing, industry, mining, handicrafts, commerce, transport, the building industry, building material industry, repair services, tourism, the catering services, and other service trades. They may conduct production and operation in various forms, and participate in market competition. No unit or individual is permitted to illegally interfere with, or restrict, their production and operation.

In accordance with the policies of the state, rural specialized households may hire assistants, apprentices, or technical personnel, according to their production and operational needs. The contracts signed between the specialized households and the hired personnel should provide for such matters as labor remuneration, labor protection, welfare, and treatment, and should be strictly fulfilled.

Rural specialized households may organize cooperative economic organizations of various types, according to development needs in the commodity economy, and in accordance with a voluntary and mutually beneficial principle.

In accordance with relevant stipulations of China's foreign economic legislation, and under the guidance of the Foreign Trade Department, the cooperative economic organizations formed by rural specialized households may participate in foreign economic activities in the form of joint ventures, cooperative business operations, processing on order, production according to sample, assembly, or compensatory trade.

4. Economic contracts signed, according to law, between rural specialized households, specialized households and contracting households, and individual urban economic households and other economic organization, are protected by law. Economic contracts legally signed have legal effect, and they are not to be changed or terminated unilaterally. When a dispute over an economic contract arises, the parties concerned should settle it in good time, through consultation. If consultation fails to settle the dispute, either party may request the administration of industry and commerce to mediate or arbitrate, or directly take legal proceedings in the people's court.

The departments in charge, and the administrations of industry and commerce at all levels, should improve their management of economic contracts, and do good work in authenticating economic contracts.

The judicial administrative organs at all levels should provide legal consultation services to rural specialized households, and do good work in notarization of economic contracts.

5. No units or individuals will apportion work, materials, or funds on specialized households in violation of relevant state and provincial policies or regulations; use their powers, or other means, to force specialized households to form a partnership with them; borrow money or things from specialized households, get credit from them, take things from them, occupy their premises, eat in their homes, or purchase goods from them at lower prices; or indiscriminately fine them. Violators must be resolutely corrected, and may be punished according to the seriousness of the violation.

6. Taxation on rural specialized households will be made in accordance with the state tax law, and at the prescribed rates. To increase tax designations or raise tax rates at will: to impose double taxation or change the starting point of taxation without authorization, and in violation of the tax policy or decrees; or to make unauthorized decisions on tax reduction or exemption; is not permitted.

7. Collection of fees from specialized households will be handled in accordance with the relevant regulations of the State Council and the provincial people's government. Other departments will not increase the number, scope, or rate of fees.
8. Inventions, creations, and major technical improvements by rural specialized households should be encouraged and protected. Specialized households may receive rewards if their inventions, creations, or major technical improvements reach the specified reward standards, and they may apply for patent rights, if the patent right application criteria are met.
9. Specialized households have the right to oppose acts violating their legitimate rights and interests, and to lodge complaints with the local people's government or judicial organs. On receipt of such complaints, the organs, with which the complaints are lodged, must promptly handle them. No units or individuals are allowed to attack the specialized households in reprisal.
10. Public security organs, people's procuratorates and people's courts at various levels must promptly accept, and hear, cases involving activities infringing the legitimate rights of specialized households, such as theft, swindling, blackmail, extortion, robbery, arson, bombing, poisoning, and sabotage of production facilities, and investigate and deal with them in accordance with the law.
11. Rural specialized households engaging in industry, commerce, transportation, construction, and services must register with the local industrial and commercial administrative departments, obtain a business license, and receive supervision in accordance with the relevant regulations.
12. Rural specialized households should conscientiously observe the state's laws, regulations, and policies, and seriously fulfill their obligations to the state and the collectives. They should engage in legitimate production and business activities, establish financial systems, receive supervision, and pay taxes according to regulations. They should not harm the consumers' interests, or endanger the people's health. Illegal activities, such as tax evasion, swindling, speculation, embezzlement, bribery, adulteration, counterfeiting, disrupting the market, illegally taking state or collective property, damaging scenery and natural resources, and polluting the environment will be dealt with in accordance with the law, and in light of the seriousness of the case.
13. Those who gain state loans or materials by fraudulent means, engage in illegal undertakings, or damage the interests of the state, the collective, or the masses will be dealt with in accordance with the law.
14. Rural specialized households may form associations by specialization, or on the basis of the administrative zone. The associations must operate under the guidance of the relevant government departments, protect the legitimate rights of the specialized households, and provide them with information, technology, and various other services.

15. These provisions will also apply to rural family farms, family forest farms, family factories, as well as various other forms of cooperative economic organizations, and town individual industrial and commercial households.

16. These provisions will take effect on the date of promulation.

CS0: 4007/338

ZHEJIANG

HANGZHOU CAUTIONS AGAINST EASING GRAIN PRODUCTION

OW131345 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 12 May 85

[Station commentary: "Grain Production Must Not Be Relaxed"]

[Text] In the course of readjusting the production structure in the rural areas, the broad masses of peasants in the province have, in the light of market needs and social demands, appropriately reduced the acreage under grain and cotton to develop marketable economic crops. This is completely normal and is necessary for raising the economic yield of arable land. However, we must not thus conclude or get the wrong impression that grain is grossly in oversupply and that further grain production will make marketing more difficult.

We must not fail to acknowledge the fact that, although grain output in recent years has increased by considerable margins, the per capita grain share is by no means high and that grain surplus is still at a low level. Readjustment of farm crops does not mean that the further the acreage under grain crops is reduced the better it is, but should be aimed at correctly arranging the proportion between grain and economic crops so that production is in line with market demand. If grain production is reduced to the extent that there is no surplus, we will not possibly be able to develop animal husbandry, aquaculture, or food processing. Also, we will not possibly be able to return hilly, pastoral, forest, and fresh water fish breeding areas from crop cultivation to the development of forests, animal husbandry, and fish breeding, nor will we be able to bring into play the strong points of the various localities. Consequently, the readjustment of rural production structure will fall through. This will have a serious bearing on the overall agricultural situation.

In brief, we must be sober-minded on the issue of grain production. We must neither retrogress to the old path of taking grain as the key link nor weaken grain production. We must continue to render necessary guidance and support to grain production in order to safeguard the enthusiasm of grain farmers in boosting grain production.

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